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**FACTORS INFLUENCING THE ADOPTION OF
FORENSIC ACCOUNTING IN FRAUD
INVESTIGATION PROCESS BY ECONOMIC AND
FINANCIAL CRIMES COMMISSION (EFCC) – A
CASE STUDY IN NIGERIA**



UUM
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**DOCTOR OF PHILOSOPHY
UNIVERSITI UTARA MALAYSIA
JUNE 2017**

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ECONOMIC AND FINANCIAL CRIMES COMMISSION (EFCC) – A
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By

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UUM
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**Thesis Submitted to
Tunku Puteri Intan Safinaz School of Accountancy,
University Utara Malaysia,
in Fulfilment of the Requirement for the Degree of Doctor of Philosophy**



TUNKU PUTERI INTAN SAFINAZ
SCHOOL OF ACCOUNTANCY
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ABSTRACT

In Nigeria, one of the efforts made by the government to fight economic and financial crimes was the establishment of the Economic and Financial Crimes Commission (EFCC). The aim of this study was to investigate the performance of the EFCC and identify the influence of institutional and organisational factors on the adoption of forensic accounting in EFCC's fraud investigation process. This study adopted an in-depth qualitative case study approach. The data used for the intended objectives were obtained through institutional documentary evidence, non-participatory observations, and in-depth qualitative interviews conducted with the senior, middle and first-line management of the EFCC. The data gathered were analysed using manual thematic framework analysis and aided by N-Vivo qualitative software. The results revealed that the ineffectiveness of the EFCC in tackling corruption was due to the absence of political will, inefficient judicial system, the dominance of police personnel within EFCC, and the partial adoption of forensic accounting in fraud investigation process. The partial adoption of forensic accounting was influenced by the insufficiency of personnel, inadequate funding, and unfavourable attitude despite the observed need for global best practices in fraud investigation process. This study integrated institutional and contingency theories in explaining the adoption of forensic accounting in improving the effectiveness of the EFCC. Neither the institutional nor contingency factors individually provided a full explanation for the poor performance of the EFCC, suggesting the combined influences of institutional and organisational factors. Future studies may develop a more precise measurement or a comparative assessment of various country's Anti-Corruption Agencies (ACAs) in tackling economic and financial crimes.

Keywords: case study, Economic and Financial Crimes Commission (EFCC), forensic accounting, Nigeria

ABSTRAK

Di Nigeria, salah satu usaha yang dilakukan oleh kerajaan untuk memerangi jenayah ekonomi dan kewangan adalah dengan menubuhkan Suruhanjaya Jenayah Ekonomi dan Kewangan (EFCC). Sasaran kajian ini adalah untuk mendalami prestasi EFCC dan mengenalpasti kesan faktor institusi serta organisasi dalam mengadaptasi perakaunan forensik semasa proses penyiasatan dilakukan oleh EFCC. Kajian ini menggunakan kaedah kajian kes kualitatif secara mendalam dengan menggunakan data berobjektif melalui dokumentasi daripada pihak institusi; pemerhatian langsung tanpa penglibatan serta sesi temubual kualitatif secara mendalam dengan staf kanan, staf kumpulan pertengahan dan penjawat jawatan utama dalam EFCC. Data yang telah dikumpulkan dianalisis dengan menggunakan analisis rangka kerja manual bertema dan dibantu oleh perisian analisis kualitatif N-Vivo. Dapatan kajian secara jelas menunjukkan ketidakcekapan EFCC dalam menangani masalah korupsi yang disebabkan oleh ketiadaan komitmen politik yang tinggi, ketidakefisienan dalam sistem kehakiman, dominasi pasukan polis dalam gerak kerja EFCC dan hanya sebahagian kecil kaedah perakaunan forensik yang digunapakai dalam penyiasatan fraud. Hanya sebahagian saja kaedah perakaunan forensik digunapakai kerana dipengaruhi oleh faktor ketidakcukupan staf, dana yang terhad dan sikap yang kurang peka akan kepentingan penggunaan kaedah ini sebagai amalan terbaik global bagi proses penyiasatan fraud. Kajian ini menggabungkan teori institusi dan kontigensi bagi menerangkan kepentingan penggunaan perakaunan forensik untuk memperbaiki prestasi semasa EFCC. Walau bagaimanapun, faktor institusi atau kontigensi secara tersendiri tidak dapat menjelaskan keseluruhan tentang prestasi yang kurang memberangsangkan oleh EFCC, namun kupasan dengan menggabungkan kedua-dua teori dilihat dapat memberi gambaran yang lebih jelas. Kajian akan datang disyorkan untuk membangunkan kaedah pengukuran yang lebih tepat atau menggunakan kaedah perbandingan penilaian terhadap agensi pencegahan rasuah (ACA) di pelbagai negara dalam usaha mereka menangani jenayah ekonomi dan kewangan.

Kata kunci: kajian kes, Suruhanjaya Ekonomi dan Jenayah Kewangan (EFCC), perakaunan forensik, Nigeria

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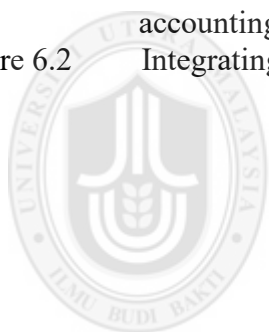
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LIST OF ABBREVIATIONS

ACA	Anti-Corruption Agency
ACAs	Anti-Corruption Agencies
ACFE	Association of Certified Fraud Examiners
AU	African Union
CBN	Central Bank of Nigeria
CCB	Code of Conduct Bureau
CEO	Chief Executive Officer
CIPB	Corruption Investigation and Prevention Bureau
CPI	Corruption Perception Index
EFCC	Economic and Financial Crimes Commission
FA	Framework Analysis
FBI	Federal Bureau of Investigation
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
ICAC	Independent Commission Against Corruption
ICPC	Independent Corrupt Practices Commission
IGP	Inspector General of Police
MACC	Malaysian Anti-Corruption Commission
NGOs	Non-Governmental Organizations
NNPC	Nigerian National Petroleum Corporation
OECD	Organization for Economic Co-operation and Development
OYA	Othman Yeop Abdullah
PEPs	Politically Exposed Persons
PMS	Premium Motor Sprit
TMT	Top Management Team
TI	Transparency International
UN	United Nations
UNCAC	United Nations Conventions Against Corruption
US	United States

CHAPTER ONE

INTRODUCTION

1.1 Introduction

The growing concerns over fraud have been well documented in the accounting literature. Researches have been conducted on occupational frauds and financial crimes by various professional accounting bodies. Raising concern over the escalating rate of fraudulent practices, associated costs and the need for professional fraud investigation. This concern is highlighted in the reports of Association of Certified Fraud Examiner (ACFE, 2014) and Price Waterhouse Coopers (PwC, 2014). According to the reports, occupational fraud and abuses caused an estimated \$3.7 trillion (ACFE, 2014) and had increased allegations of financial crimes (PwC, 2014). ACFE defined occupational fraud as “the use of one’s occupation for personal enrichment through the deliberate misuse or misapplication of the employing organization’s resources or assets” (ACFE, 2014 p6). It further classified occupation frauds and abuses into asset misappropriations, financial statement fraud and corruption. According to the survey by PwC, (2014), the major concerns were on bribery and corruption.

Corruption is defined as the abuse of entrusted authority for personal gain (World Bank, 1997). Different views were put forward as to the effect of corruption on economic indicators (Dreher & Gassebner, 2013; Méon & Sekkat, 2005). There are main two schools of thoughts on the consequences of corruption (Aidt, 2009). According to Leff (1964), corruption ‘greases’ the wheels of development and fosters growth. This school holds that corruption

promotes efficiency by circumventing pre-existing government failures. Thus, stressing the potential importance of corruption in enhancing economic growth (Dreher & Gassebner, 2013). On the other hand, Aidt, (2009) and Mauro, (1995) argued that corruption has adverse effects on economic growth. In fact, Aidt (2009) argued that corruption is a major obstacle to development, a cause for low income and generating poverty traps.

Consequently, corruption has continued to be a fundamental societal phenomenon affecting industries, nations, and continents (PwC, 2016). It has been reported to affect private investment, human capital accumulation, and tax revenues thereby affecting public infrastructures (Aidt, 2009; Mauro, 1995; Treisman, 2007). It is also argued that corruption lowers economic rates, increases public spending, induces higher poverty levels, and lowers national security (Factor & Kang, 2015). Countries high in corrupt practices also achieve lower literacy rate, experience worst human capital development and have a tendency for higher mortality rates as well as social injustice (Li, Yao, & Ahlstrom, 2015; Ndikumana, 2006).

Although it is argued that Africa is no more corrupt than other continents in the world, evidence of widespread poverty in Africa is an apparent indication that corruption is pervasive on the continent (Yusuf, Malarvizhi, Huda Mazumder, & Su, 2014) and has continued to be Africa's most challenging cause of poverty, unemployment, political and sectional crisis. According to the Economic Commission for Africa (2010), corrupt practices, especially those perpetrated by the elites, have led to the diversion of state revenues for personal use, inequitable distribution of wealth amongst the society, widespread

unemployment and the erosion of moral values. In fact, it is assumed to be one of the primary obstacles to development in Africa (Agbiboa, 2014; Economic Commission for Africa, 2010).

In consideration of the consequences of corruption, as a form of fraud (ACFE, 2014; PwC, 2014), various theoretical proposition were advanced by previous researches (Dellaportas, 2013). Fundamentally, searching for the causes (Lambsdorff, 2006; Treisman, 2000) and control of corruption (Billger & Goel, 2009). Theories that explain the perceived causes of fraud, especially, corruption include Public Choice Theory (Mbaku, 2008) and the Theory of Fraud Triangle (Kassem & Higson, 2012). In line with the Public Choice theory, individuals are considered rational beings who make decision based on cost-benefit analysis. The benefits derivable from corruption is weighted against the consequence of corruption. Similarly, Cressey (1950) argued that the commission of fraudulent practices including corruption are influenced by opportunity, pressure and rationalization. Thereby, suggesting that fraudulent practices are perceived to be influenced by the presence of opportunity such as entrusted authority; perceived severe financial pressure on individual including the demand to delight kinsmen and associates; and the rationalization of fraudulent or corrupt practices. Thus, efforts in tackling fraudulent practices requires the identification of these factors and devising means to prevent, detect, investigate and punish fraud perpetrators.

Consequently, controlling the prevalence of fraudulent practices requires international efforts, legal and institutional reforms and creating or strengthening anti-corruption institutions (McCusker, 2006; OECD, 2008).

Parts of the efforts of international organizations in tackling corruption is the drafting of anti-corruption conventions, mandating parties to enact anti-corruption laws and create specialized institutions to combat corruption (Bello, 2014; OECD, 2008). Hence, the major government response to endemic corruption has been the creation of Anti-Corruption Agencies (ACAs) (Meagher, 2005; Quah, 2009). This is because such bodies were often seen as the only means to reduce systemic corruption because existing institutions were considered too weak for the task (OECD, 2008). Thus, the rise in the number of ACAs formed globally was attributed to international agencies, preconditions for aid from donor organizations and the success recorded in Singapore and Hong Kong (Kuris, 2015). This has further encouraged developing countries to adopt the Hong Kong's Independent Commission Against Corruption (ICAC) model when designing their own ACAs (De Sousa, 2010; Doig, Watt, & Williams, 2005).

Subsequently, most of the African countries have created one form of ACA or the other (Kuris, 2015; Meagher, 2005). Nigeria like most Africa countries has adopted anti-corruption measures aimed at tackling the menace of systemic corruption (Shehu, 2015). These strategies include the enactment of Corrupt Practices and Other Related Offences Act 2000; Economic and Financial Crimes and Control Act 2004; and the Money Laundering Prohibition Act 2004. Other measures adopted are the creation of ACAs, which include Code of Conduct Bureau (CCB) set up in 1979; Independent Corrupt Practices Commission (ICPC), established in 2000; and the Economic and Financial Crimes Commission (EFCC) created in 2003.

However, previous literature has claimed the ineffectiveness of these ACAs in tackling (Doig, Watt, & Williams, 2007; Riley, 1998). Studies by Aluko (2002), Ngube and Okoli (2013), Agbiboa (2013) and Ogbeidi (2012) have severally argued that corruption has become institutionalized in Nigeria affecting the country's political culture, moral values, economic and social indicators and has been the reason for Nigeria's economic stagnation. Yusuf et al. (2014) have also reported a significant correlation between the level of corruption and the unfavorable economic growth in Nigeria. Thus, signifying the ineffectiveness of the country's ACA in tackling corruption.

In support of this view, Human Right Watch (2011), United State Department of International Affairs (2012) and various reports by Transparency International (TI) on corruption perceptions, revealed that corruption is pervasive and systemic in Nigeria that has over the years, turned public service into a criminal enterprise. In its report, the Human Right Watch (2011) alleged that corruption in Nigeria had denied the majority of Nigerian access to essential services like education, health and the much-needed pipe borne water. Recently, the British Prime Minister was also reported to have described Nigeria as a fantastically corrupt country before the recent anti-corruption summit held in London on 12th May 2016 (Asthana & Grierson, 2016; Fraser, 2016).

Although international reports and empirical findings depict the existence of massive and systemic corruption in Nigeria, the creation of the EFCC in 2003 signifies the most outstanding effort of the government's commitment to fighting corruption (Human Right Watch, 2011). However, the EFCC has been battling with cases regarding elite or grand corruption, with many of the cases

involving ex-governors and some prominent politicians lingering in courts for years due to assumed influences of institutional and organizational factors (Shehu, 2015; Umoh & Ubom, 2012). Consequently, the EFCC has fallen short of expectations with an uncertain or mediocre record of achievements and extreme incompetence in fraud investigation process (Sowunmi, Adesola, & Salako, 2010).

Along these lines of arguments, Quah (2009) and Kuris (2015) proposed that pre-conditions for an effective ACA are the presence of political will and the independence of ACA from any political influence. Consequently, independence entails the guarantee of tenure of the leadership of ACAs, the capability to ensure the maintenance of qualified and adequately trained personnel and securing the extent to which budgetary allocation of ACAs are independent of political interference (Kuris, 2015; Meagher, 2005; Persson, Rothstein, & Teorell, 2013). Despite the absence of these pre-conditions, most African countries have established one form of anti-corruption agency or the other (Meagher, 2005; Persson et al., 2013).

In a study of African ACAs, Doig et al. (2005, 2007) argued that institutional factors such as greater expectations and lack of continuity of government policies, low budgetary allocation and stakeholder disillusionment of the performance of the ACA are among the challenges of ACAs. While Obuah (2010) maintained that the presence of legal technicalities, significant delays in the court process, the cost of prosecution and instability in the leadership of the EFCC constitute major obstacles to the efficiency of the EFCC in fighting corruption in Nigeria. This was similar to the report made by the Human Right

Watch (2011). The report claimed that the work of the EFCC had been hampered by factors beyond the control of the Commission as well as its specific shortcomings. Specifically, these include the Nigerian culture that reward corruption, political interference, judicial inefficiency and EFCC's incompetence and errors in executing its role and functions. Sowunmi et al. (2010), also argued that there is an urgent need to enhance the effectiveness of the EFCC through the improvement of its manpower in fraud investigation.

A presumed precondition for an effective ACA is specialization (Meagher, 2005; OECD, 2008). Specialization implies the availability of specialized staff with special skills for fighting corruption (Quah, 2015a). According to International Federation of Accountants (IFA) (2017), investigation of fraudulent practices including corruption requires the collection, analysis and communication of economic information. This requires skills in accounting, investigation, auditing and legal knowledge. This is where the relevance of accounting discipline, rather than other disciplines, in tackling corruption becomes a central issue in grounding this study.

Accounting profession is concerned with the collection, analysis and communicating economic information. The IFA (2017) has depicted the relevance of accounting to control of corruption. Accordingly, any effort to fight corruption requires a holistic and coordinated approach including the detection, prevention, investigation and sanctioning of corruption (IFA, 2017). The positive role played by accountants in tackling corruption is evident because professionalism is highlighted as an essential component of successful anti-corruption efforts through proper fraud investigation.

The process of fraud investigation according to Albrecht, Albrecht, Albrecht and Zimbelman (2012) involves the identification of evidential matter and the fraud elements. It requires the collection of testimonial, documentary and physical evidence and personal observations (Albrecht et al., 2012). This evidential matter is corroborated with the elements of the fraud triangle. Arguing that fraud examiners pay attention to the existence of perceived financial pressure, the presence of opportunity and rationalization (Manning, 2005). Accordingly, Albrecht et al. (2012) and Manning (2005) argued that these require the services of forensic accountants. While Muthusamy (2011) argued that the rise in fraudulent practices is attributable to non-adoption of forensic accounting in fraud investigation.

In line with this, previous studies have recommended the adoption of forensic accounting in fraud investigation. For example, Dickson, Ogijo and Samuel (2013) examined the relevance of forensic accounting to include investigative skills, expert witnessing, proper documentation, and reporting. Owolabi, Dada and Olaoye (2013) reported the significance of forensic accounting in fighting corruption and recommended its adoption in fraud investigation. Likewise, Akenbor and Ironkwe (2014) suggested the use of forensic accountants in fraud investigation by the EFCC. As part of their recommendations, Gbegi and Adebisi (2014) also advocated the application of forensic accounting by the EFCC in its fraud investigation. Therefore, the relevance of forensic accounting to the EFCC has been claimed and recommended for the betterment of its fights against corruptions. However, Dada (2014) claimed the non-adoption of forensic accounting in the EFCC itself. In this context, the adoption of forensic

accounting refers to the use of forensic accounting experts in fraud investigation through the creation of a functional forensic accounting unit in the structure of the EFCC. With regards to this, no significant efforts were put to explore the factors influencing the adoption of forensic accounting in fraud investigation in the EFCC's organizational structure.

1.2 Motivation of the Study

The motivation for this study has been the growing reported incidences of fraudulent practices in Nigeria; the perceived inability of the EFCC to properly tackle and minimize the perceived level of corruption in Nigeria; and the reported non-adoption of forensic accounting in fraud investigation by the EFCC in its fight against economic and financial crimes in Nigeria despite recommendation put forward by previous studies.

Fraudulent practices, especially occupational fraud and abuses including corruption, have turned public services in Nigerian into criminal enterprise where elected, appointed and employed individuals have turned and used the privilege of the office they occupy to syphon substantial public funds with impunity (Agbibo, 2014; Shehu, 2015). From the military dictatorship to democratic governance, cases of public sector corruption have dominated policy discussions and academic writing in Nigeria (Agbibo, 2013a). It was estimated that during the military dictatorship period, General Sani Abacha looted more than \$5 billion from Nigeria (Agbibo, 2014). Similarly, under the democratic governance (1999-2015), cases of public sector corruption such as Petroleum Subsidy Scam, Pension Fraud and the Arms Procurement Scandal,

demonstrated the nature of grand corruption taking place in Nigeria. At the state level, more than twenty (20) ex-governors have been accused of mismanagement, money laundering, contract scams, and embezzlement (Shehu, 2015), undermining the effectiveness of the government agencies in fighting corruptions. Transparency International (TI), the global international non-governmental organization (NGO), positioned to create awareness about corruption, has also depicted a negative image of Nigeria on the world stage with regards to this issue. For example, the Corruption Perception Index (CPI) produced annually by TI has seen Nigeria at the bottom of the annual ranking.

Table 1.1
Nigeria ranking on Corruption Perception Index

Year	Rank (position)	No of countries
1996	54	54
1997	50	52
1998	81	85
1999	97	99
2000	90	90
2001	89	91
2002	101	102
2012	139	176
2014	136	175
2015	136	168

Source: Transparency International (1996-2015) Corruption perception index

The content of Table 1.1 depicts Nigerian ranking between 1996, when Nigeria first appeared on the CPI, until the most recent year of 2015. The analysis of Table 1.1 shows that Nigeria was ranked most corrupt country in 1996 and 2000, a second most corrupt country in 2001 and 2002. Judging the inability of the country to properly deter fraudulent practices especially systemic corruption.

Another motivational factor for this study was the unsuccessful prosecution of elite corruption casting doubts on the minds of the researcher on the effectiveness of the EFCC. Past studies have linked the effectiveness of the EFCC to a number of institutional and organizational factors. Primarily, these include the legal environment, the political will and the inadequacy of investigative and prosecution capabilities (Sowunmi et al., 2010). Suggestions were made to overcome these challenges through the improvement of fraud investigation capabilities of the EFCC. These include the adoption of forensic accounting in fraud investigation (Gbegi & Adebisi, 2014; Owolabi et al., 2013).

Furthermore, previous studies have reported the effectiveness of forensic accounting in fraud investigation (Bierstaker, Brody, & Pacini, 2006; Owolabi et al., 2013), and its adoption was strongly recommended as a necessity to fight systemic corruption in Nigeria (Dickson et al., 2013; Efiog, Inyang, & Efiog, 2016). However, as claimed by Dada (2014), the failure of the EFCC to adopt forensic accounting in fraud investigation is assumed to influence its inability to investigate successfully and prosecute corrupt practices perpetrators.

Therefore, the growing incidence of corrupt practices in Nigeria, especially those perpetrated by elected, appointed or employed individuals and the inability of the relevant agencies to properly investigate, prosecute and convict these alleged criminals have motivated the conduct of this research (Human Right Watch, 2011). Especially, as it regards the perceived failure of the EFCC to adopt forensic accounting in fraud investigation (Dada, 2014). Therefore, necessitating the need to investigate the factors influential for the reported non-adoption of forensic accounting despite the recommendations made by previous studies. This is especially becoming necessary as the current state of the EFCC remain a paradox. Thus, calling for gathering relevant data from multiple sources and providing a report from the eyes of the research participants in a richer form to contribute to the research efforts to date that put forward the recommendations for the endorsement on the adoption of forensic accounting by the EFCC.

1.3 Problem Statements

Previous studies conducted on fraud, including corruption were dominated by interest on the causes and consequences of fraudulent practices (Ades & Tella, 1996; Graaf, 2007; Lambsdorff, 2006; Tanzi, 1998; Treisman, 2000, 2007) effects of corruption on economic indicators (Aidt, 2009; Mauro, 1995) and anti-corruption strategies (Desta, 2006; Doig, 1995, 2013; Hanna, Bishop, Nadel, Scheffler, & Durlacher, 2011; Siddiquee, 2010).

Although every country adopts anti-corruption strategies that suit its economic and political conditions (Doig et al., 2007; Gregory, 2015; Quah, 2015a),

empirical studies have tilted attention towards the creation of an independent body (Ampratwum, 2008; Doig et al., 2005; Quah, 2009) mostly due to successes recorded by a number of these organizations, such as those found in Hong Kong and Singapore (Doig et al., 2005; Gregory, 2015; Quah, 1995, 2015b) or due to their failure to tackle corruption in their respective countries (Bello, 2014; Doig et al., 2007; Economic Commission for Africa, 2010; Ikubaje, 2010; Maria, 2008). Particular attention is focused on African countries where corruption remains a serious challenge to economic development, poverty, and unemployment (Economic Commission for Africa, 2010; Human Right Watch, 2011) and the systemic nature of corrupt practices in Africa's resource-rich country like Nigeria (Agbibo, 2014).

Like most countries in Africa, Nigeria has enacted anti-corruption laws, created ACAs aimed at tackling the menace of systemic corruption (Shehu, 2015). Despite these efforts by successive governments, corruption has remained Nigeria's most difficult war, especially with the existences of cases of corruption practiced with impunity by political elite (Sowunmi et al., 2010; United State Department of International Affairs, 2012). The extensive nature of corruption was largely attributed to the institutional settings and organization capabilities (Treisman, 2000). Specifically, as it relates to the performance of the EFCC. Despite this insinuation, the EFCC has been described as the only existing government institution that has remained an obstacle to impunity exercised by corrupt politicians in Nigeria (Economic Commission for Africa, 2010; Human Right Watch, 2011; Owolade, 2012).

With regards to this, mixed reactions have been presented on the competencies of the EFCC's internal mechanisms (Inokoba & Ibegu, 2011; Oke, 2014; Raimi, Suara, & Fadipe, 2013; Umoh & Ubom, 2012) and studies have advocated the adoption of forensic accounting in fraud investigation (Augustine & Uagbale-Ekatak, 2014; Dada, Owolabi, & Okwu, 2013; Dickson et al., 2013; Owolabi et al., 2013). Therefore, depicting the current state of the EFCC as a paradox to be explored and the need to describe the efforts made by the EFCC to adopt forensic accounting in fraud investigation.

Based on the preceding discussions, the following issues were identified with regards to the matter under study. First, there is a growing concern over the increasing rate of corruption as depicted by international reports and academic efforts, distorting the efforts to create a corruption-free Nigeria socially, economically and politically. Secondly, efforts made by the Nigerian government to fight corruption through enactment of laws and creation of the EFCC has so far been described as less effective due to presumed influences of institutional and organizational factors (Obuah, 2010b) and the perceived non-adoption of forensic accounting in fraud investigation (Dada, 2014). Thirdly, the effectiveness of EFCC in fraud investigation is presumed to be influenced by the adoption of forensic accounting (Dada, 2014) through the use of forensic accounting experts by creating a forensic accounting unit. However, little is known about the factors influencing the adoption of forensic accounting by the EFCC in its fraud investigation.

The proper functioning of the EFCC in tackling corruption in Nigeria is presumed to be dependent on its fraud investigation capabilities (Meagher,

2005; OECD, 2008; Sowunmi et al., 2010). A precondition for effective ACA is specialization. It is argued that the existence of personnel with special skills in fraud investigation enhances the effectiveness of the ACAs (OECD, 2008). Similarly, Albrecht et al. (2012) and Manning (2005) have argued the relevance of forensic accounting skills in fraud investigation. Empirically, Muthusamy (2011) has related the growing rate of fraudulent practices to non-adoption of forensic accounting in fraud investigation .

Consequently, identifying and describing the factors influencing the adoption of forensic accounting in fraud investigation, through intensive and holistic approach to inquiry, will hopefully help the EFCC and Nigerian government in their anti-corruption and fraud investigation and in ensuring a corruption-free country for economic prosperity and political stability; and hence to contribute to the insufficient literature on the effectiveness of the EFCC and the adoption of forensic accounting in fraud investigation.

1.4 Research Questions

In consideration of the issues raised in the preceding section, the key question of this study is on the factors influencing the adoption of forensic accounting in enhancing the effectiveness of the EFCC in fraud investigation. In so doing, the following specific questions are raised:

1. What is the current achievement and perceived challenges influencing the effectiveness of the EFCC?
2. What are the perceived institutional factors influencing the adoption of forensic accounting in fraud investigation by the EFCC in Nigeria?

3. What are the perceived organizational factors affecting the adoption of forensic accounting in fraud investigation by the EFCC in Nigeria?
4. What is the perceived influence of the adoption of forensic accounting on the fraud investigation by the EFCC in Nigeria?

1.5 Research Objectives

Although previous studies have highlighted on the effectiveness of ACAs in minimizing corruption, and the relevance of forensic accounting in fraud investigation, more attention is required to describe the factors influencing the adoption of forensic accounting in enhancing the effectiveness of EFCC in fraud investigation (Owolabi et al., 2013; Sowunmi et al., 2010). The main aim of this study is to identify the factors influencing the adoption of forensic accounting in fraud investigation by EFCC in Nigeria. To achieve this broad objective, the study's specific objectives are to: -

1. describe the performance and perceived challenges influencing the effectiveness of the EFCC;
2. identify the perceived institutional factors influencing the adoption of forensic accounting by the EFCC in fraud investigation in Nigeria;
3. depict the perceived influence of organizational factors on the adoption of forensic accounting in investigation by the EFCC in Nigeria; and
4. explicate the perceived influence of the adoption of forensic accounting on the fraud investigation by the EFCC in Nigeria.

1.6 Scope of the Study

This is a single case study (Creswell, 2013) aimed to describe the current state of EFCC and its efforts in adopting forensic accounting in fraud investigation. Investigating and describing organizational performance, in this context with regards to the EFCC, the perceived challenges faced including its decision-making process called for a qualitative research approach as against quantitative paradigm (Creswell, 2011; Merriam, 1988; Yin, 2011). With regards to this, the study is restricted to EFCC in Nigeria as the unit of analysis and participants were purposively selected to answer the research questions which are constructed in a broad, open-ended form.

Firstly, the choice of Nigeria, in general, emanates from the researcher's experience and the prevailing extensive corrupt practices as claimed and reported in the Nigerian national dailies and other corporate reports. There is a general perception that corruption is a serious issue in Nigeria as revealed by different reports (Transparency International, 2013). The media coverage of the cases of grand corruption such as the Petroleum Subsidy Fraud; the Pension Fund Scam; the Missing Oil Revenue and the recent case of Arms Fund Scandal, all depict a state of grand and systemic corruption in Nigeria (United State Department of International Affairs, 2013).

Secondly, successive governments' efforts to fight corruption saw the emergence of ACAs, most of which seem apparently ineffective given the rising incidences of corrupt practices and the level of impunity practiced by the political elite (Doig et al., 2005). The anti-corruption effort of the ACAs is

expected to minimize the occurrence of fraudulent practices and the perceived level of corruption in Nigeria (FGN, 2004). Despite their perceived ineffectiveness, there is one agency that has demonstrated some level of success among its pairs. The EFCC has been described as the existing government institution that has shown a significant effort to fight corruption in Nigeria, despite the challenges that seem to undermine its efforts, thus, chosen for this study.

Thirdly, this is a qualitative case study. The decision to adopt this method was informed by the need for an intensive, holistic, in-depth and rich description of the EFCC so as to advance knowledge and contribute to the limited literature on the adoption of forensic accounting (Creswell, Hanson, Clark Plano, & Morales, 2007; Merriam, 1988; Yin, 2011). In so doing, participants were purposively selected to include management of the EFCC in different departments. The selection was driven by their apparent knowledge and their ability to answer the research questions appropriately, observe divergence and convergence of views of the issue under study and guided by saturation criteria (Mason, 2010).

Consequently, the focus of this study is to grasp the successes recorded by the EFCC in fighting corrupt practices in Nigeria, to identify the constraints militating against the performance of the EFCC and the influential factors on adoption of forensic accounting in fraud investigation by EFCC as well as to explicate the influence of forensic accounting on achieving the objectives of the EFCC.

Therefore, the findings of this study will be restricted to the Nigerian EFCC as a unit of analysis; views expressed by the research participants, observations made and documentary evidence accessed and used for the purpose of this study. Hence, it does not intend to test hypothesis, develop a theory or use any statistical tool to generalize its findings to other organizations. This study is driven by the nature of the research as depicted in the research questions, to serve the need for exploration and insufficiency of empirical studies on the subject under investigation.

1.7 Significance of the Study

There exist extant literature on corruption and anti-corruption measures (Meagher, 2005; Quah, 2010, 2014; Tanzi & Davoodi, 2001; Treisman, 2007). The majority of these studies were devoted mainly to understanding corruption and its effects on social, political and economic indicators (Mauro, 1995; Riley, 1998) and the effectiveness of anti-corruption strategies (Desta, 2006; Doig, 2013; Olken & Pande, 2012). Similar academic efforts were concerned with the ineffectiveness of ACAs in Africa (Doig et al., 2007; Johnston, 2011; Persson et al., 2013) without addressing more thoroughly on the factors hampering the efforts for more effective role and function of EFCC, paving ways for the betterment of the EFCC.

Despite these efforts, little has been known regarding the performance and the challenges of these specialized institutions in developing country of Africa (Doig et al., 2005; Obuah, 2010a; Olowu, 1999). The majority take the form of conceptual review and through survey approach. These leave a vacuum for this

research to investigate and describe the performance and challenges of these agencies through an in-depth approach to contribute to practice and theory associated with them. This is where this study became significant.

In describing the current state of the EFCC and its effort to enhance its fraud investigation techniques, the study intends to contribute to the Nigerian government and the EFCC in particular. The policy contribution of this study stems from the apparent evidence that currently, there are missing pre-conditions for an effective ACA in Nigeria. Previous studies have presumed the influence of political will, political interference, and inefficient legal system on the performance of ACA. Despite this, there is a lack of sufficient empirical evidence to support this presumption on the EFCC.

On the part of the EFCC as an institution, the presumed influences of leadership, staffing and attitudes towards modern fraud investigation techniques were scantily reported. Thus, suggesting a need for an in-depth study to explore, identify and describe the influences of these claimed factors on the performance of the EFCC and the efforts in adopting forensic accounting in fraud investigation.

Theoretically, this study will contribute to the limited literature by describing the current state of the EFCC, identifying contextual and internal factors militating against the performance of the EFCC and the adoption of forensic accounting. This study stands to be different from similar studies because it will describe the current state of the EFCC and to identify the institutional and organizational factors militating against the effectiveness of the EFCC and the

decision by the management to create a forensic accounting unit in the structure of the EFCC through an in-depth approach.

In describing the findings of this study, institutional and contingency theories will be used. Relying on the works of Meyer and Rowan (1977) and DiMaggio and Powell (1983), organizational performance and structure were determined by the dynamics of the organizational context. Accordingly, organizations are coerced to imitate the structure of successful organizations in a similar industry for legitimacy and survival. This explains the rationale behind the creation of ACAs globally. Specifically, African countries are forced to fight corruption through the establishment of ACAs as a requirement by donor agencies and countries (Persson et al., 2013). In response to this demand, most countries try to imitate the structure of ACAs in Singapore and Hong Kong as the successful ACAs (Doig et al., 2007; Meagher, 2005). Hence, ACAs tend to look similar due to normative pressures leading to isomorphism with the institutional environment as postulated by the institutional theorists (Tolbert & Zucker, 1983).

In addition, the structure of an organization, according to the contingency theory (Donaldson, 2006), is dependent on the organizational contextual and organizational factor. Accordingly, organizations are rational entities seeking to improve performance by fitting their structures to the dynamics of the context and internal characteristics (Donaldson, 2001; 1999). This explains the recent call for the adoption of forensic accounting in fraud investigation and prosecutions process. Combining the two theories points to organizational structuration which is postulated to be influenced by internal and external

factors. Thus, identifying the factors influencing the adoption of forensic accounting in fraud investigation from within the EFCC and external as institutional factors.

The findings depict that non-availability of funding, ineffective legal system and external pressures were fundamental institutional factors the low level of success recorded by the EFCC. Similarly, the patterns reveal that organizational resources including staffing and technology were significant in the performance as well as the adoption of forensic accounting. Thus, contextual and organizational factors were found to militate against the performance of the EFCC and the adoption of forensic accounting in the structure of the EFCC for fraud investigation purposes.

In arriving at the findings, a qualitative approach to inquiry was adopted using case study method. The choice of this approach was necessitated by the flexibility of research process which allows for the description of the meaning people ascribe to a phenomenon, collecting data in a natural setting, and analysis of data using inductive and deductive approaches (Creswell, 2013). Additionally, the final report of this qualitative inquiry as presented in chapters four to six includes the voice of the research participants, complex description and interpretation of the matter reflecting values of the researcher (Yin, 2011). Therefore, it provides a rich description of the current state of the EFCC devoid of statistical tools. Hence, using thematic and framework analysis, patterns and categories emerged to form the basis for discussion and interpretation of this finding. Thus, by incorporating qualitative approach to data collection and

analysis in the field of accounting, the study aims to resolve issues through the qualitative as against the conventional quantitative approach (Creswell, 2011).

1.8 Organization of the Thesis Chapters

The study is organized into six chapters to cover introduction, literature review, methodology, data presentation and analysis, discussion of findings, theory association, research implication and direction for future research. These are briefly discussed in the following paragraphs.

The introductory chapter provides background to the study. This provides a general understanding of the phenomenon and set the stage for the study. The chapter covers the background to the study, the statement of the problem, research questions, and objectives. The aim is to clarify the purpose of the study. The theoretical and practical significance of the study contributed to the existing limited studies on the relevance of forensic accounting and its adoption for fraud investigation by the EFCC and to guide policy makers in the EFCC and Nigeria in general, in their policy formulation on anti-corruption strategies.

Chapter two reviews the related literature on corruption, anti-corruption and forensic accounting. This is to get a conceptual understanding of the concept and to identify the need for further study. This was followed by a chapter on the method adopted for data gathering, analysis and interpretation. The chapter discusses the qualitative method of inquiry indicating the participants, method, and sources of data as well as techniques of data analysis suitable for the current study.

Chapter four presented the findings using thematic framework analysis of interview transcripts and supported by documentary evidence. Four themes were identified based on the research questions, and associated categories were related to pattern identification. It formed the basis for discussions, theory associations and made recommendations for policy and future research in chapters five and six respectively.

1.9 Summary of the Chapter

This chapter presents an introduction to the entire research work. Specifically, it depicts that corruption is a global issue forcing countries to adopt measure needed to tackle the menace of corruption. The choice of most country's anti-corruption strategy is the creation of ACAs. However, institutional and organizational factors were claimed to have militated against the performance of these ACAs. The motivations for the study were in the increasing incidence of corruption in Nigeria, the inability of the EFCC to minimize the level of corrupt practices and its failure to adopt forensic accounting in its fraud investigation. The chapter concludes with the structural layout of the study after depicting the research objectives, scope and significance.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The introductory chapter to this study described the increasing concern over fraud globally with emphasis on corruption as a type of occupational fraud and abuses in developing nations. The main concern relates to the pervasiveness of corrupt practices in these countries. Many factors have been attributed to the pervasiveness of corruption including ineffectiveness of Anti-Corruption Agencies (ACAs) to properly structure and adopt forensic accounting in fraud investigation for an improved anti-corruption fight. In addressing the issue, this study investigates the perceived influential factors on the adoption of forensic accounting in fraud investigation by the EFCC.

This chapter reviews the related literature on fraud in general, and corruption, anti-corruption strategies and the adoption of forensic accounting in fraud investigation by ACAs, in particular. Theoretically, viewing organizational structure as the interplay of institutional forces and organizational capabilities. The review describes these factors through the lens of institutional and contingency theories as the underpinning theories to explain the interconnection between institutional specific and uniform demand on organizational structure and effectiveness.

2.2 The General Concept of Fraud

Mohamed (2013) argued that one of the fundamental global challenges to organizations is fraud. Fraud has been perceived as unlawful or criminal deception intended to result in a financial or personal gain (Sharma & Kumar, 2012). It is also viewed as a deliberate act that is contrary to rule or policy of organizations with intent to obtain unauthorized financial benefit (Wang, Liao, Tsai, & Hung, 2007). Albrecht et al. (2012) view fraud as any act embracing all the multifarious means which are used by one individual, to get an advantage over another through false representations. Various terminologies have been used to represent fraud in the accounting literature. Concepts such as financial fraud (Sharma & Kumar, 2012), financial crimes (Manning, 2005) and financial statement fraud (Mohamed, 2013) have been used to refer to accounting fraud.

The Association of Certified Fraud Examiners (ACFE) puts it as occupational fraud and abuses (ACFE, 2012). This view about fraud is adopted for this study because it covers all fraudulent practices perpetrated by private and public sectors organization. The association defined occupational fraud as “the use of one’s occupation for personal enrichment through the deliberate misuse or misapplication of the employing organization’s resources or assets” (ACFE, 2014 p6). This means that fraud encompasses a broad range of misconduct by employees, managers, executives, political leaders and bureaucrats.

In response to this, integrated strategies of prevention, detection and investigation have been used to reduce the occurrence of fraudulent practices (Albrecht et al., 2012; Manning, 2005). Mohamed (2013) argued that most

discussions have been stressed on prevention and detection strategies in mitigating fraudulent practices. This leaves room for further consideration of fraud investigation as a strategy to combat fraudulent practices. In so doing, there is need to distinguish between the various types of fraud from the accounting literature.

2.2.1 Types of Fraud

There are many classifications of fraud in the literature (Albrecht et al., 2012; Manning, 2005; Sharma & Kumar, 2012). Some classified it into employee fraud and financial statement fraud (Albrecht et al., 2012; Mohamed, 2013; Rezaee, 2005). On the other hand, ACFE provides a common classification of occupational fraud. The Association classified it into asset misappropriations, fraudulent statements and corruption (ACFE, 2014; Ibrahim, Rose, & Mohamed, 2015). The basis of this classification is on the methods used in committing these fraudulent practices.

2.2.1.1 Fraudulent Statement

This is a form of fraud committed by or on behalf of an organization. It falls under what Albrecht et al. (2012) and Rezaee (2004) put as financial statement fraud. According to the authors, a fraudulent statement is a form of fraud committed on behalf of an organization. It involves the falsification of organizational financial statements through earnings manipulations (ACFE, 2010; Albrecht et al., 2012; Ibrahim et al., 2015). The forms of this type of fraud include overstatement of revenues and understatement of liabilities or expenses (ACFE, 2002). As argued by Albrecht et al. (2012) the most common type of

this fraud is management fraud. It involves top management's deceptive manipulation of financial statements. Although this type of fraud is the least reported, the report by ACFE (2014) shows that it is the most costly types of fraud with a median loss of \$4 million.

2.2.1.2 Assets Misappropriation

The second type of fraud according to the ACFE's classification is asset misappropriation. Asset misappropriation is one of such methods used to commit fraud in an organization through the misuse of organizational resources (Ibrahim et al., 2015). The method includes skimming of revenues, payroll fraud and stealing inventory and cash (ACFE, 2002). Further classification under this group includes employee embezzlement, customer and vendor fraud (Albrecht et al., 2012). Under this category, Albrecht et al. (2012) argued that employees use their positions to take or divert assets belonging to their employer; or vendors overbilling an organization or providing low quality goods than agreed upon. These forms of fraud are committed against an organization. In other words, the victim is the employee's organization. A prominent feature of this fraud is that it is by far the most common form of occupational fraud constituting more than 80% of the reported offenses (ACFE, 2012)

2.2.1.3 Corruption

Corruption falls under the third classification of occupational fraud and abuses as elicited by the ACFE in their annual reports (ACFE, 1996, 2002, 2010, 2014). According to the reports, corruption involves the process where fraudsters wrongfully use their influence in a business transaction. The aim is to procure

personal benefit for themselves or another person. This is usually in contrary to their duty to their employer or the rights of another. The forms of this fraud include accepting bribe, kickback and engaging in conflict of interest (ACFE, 2014; Ibrahim et al., 2015). Corruption, in the view of ACFE usually involves top management, or employee of the organization in collusion with an outsider through the acceptance of bribe, kickback, economic extortion, illegal gratuities or conflicts of interest, (ACFE, 1996).

Previous empirical studies in accounting have been conducted mostly on asset misappropriation and financial statement fraud (Mohamed, 2013; Ravisankar, Ravi, Raghava Rao, & Bose, 2011; Rezaee, 2005). Corruption on the other hand has been neglected despite the associated loss (Gaspar & Hagan, 2016) and the consequences of corruption (Agbiboa, 2014; Aidt, 2016; Mauro, 1995; Olken & Pande, 2012). The diversion of attention of accounting discipline from corruption to financial statement fraud has left vacuum that this study intends to fill. This study situates itself towards the role of professional accountants in tackling corruption as a form of fraudulent practice which has a wider consequence in terms of the victims. Thus, advancing the role played by accountants in investigating corruption – as a form of fraud (ACFE, 2014; Albrecht et al., 2012; IFA, 2017).

2.3 Public Sector Corruption

The concept of public sector corruption has been an area of debates in academic fields and organizational levels, generating definitions from different perspectives (Aidt, 2009; Dreher & Gassebner, 2013; Leys, 1965; Nye, 1967).

Although there is yet a universally accepted definition of corruption, there seems to be a common issue among the existing literature. In general terms, corruption has been described as a socio-economic, legal and political concept surrounded by controversies (Ahmed, 2006). Different scholars have perceived it as the violation of trust, especially with regards to entrusted authority (Ades & Tella, 1996; Agbiboa, 2013a, 2014; Mauro, 1995; Morris, 2011; Tanzi, 1998; Treisman, 2000), the misuse of public office or authority for personal interest (Agbiboa, 2013a) or a deviant behavior of a public servant (Tanzi, 1998).

The commonly used definition of public sector corruption has been the abuse of public office for private gains as defined by the World Bank (Agbiboa, 2014; Brown & Cloke, 2011; Ngube & Okoli, 2013; Umoh & Ubom, 2012). Consistent with this definition, Transparency International (TI) also defined corruption as the abuse of entrusted power for private gains. The UNDP defined corruption as the misuse of public power, office or authority for private benefit through bribery, extortion, nepotism, speed money or embezzlement (Siddiquee, 2010).

In line with the above description of corruption, the current study conceives corruption as the abuse of entrusted authority for the acquisition of wealth, power and political support for personal gain at the detriment of the general good. This is backed up by the use of the discretionary power of public office holder; a factor universally agreed as one of the causes of public sector corruption mainly petty ones that lead to systemic or grand corruption (Cuervo-Cazurra, 2016; Goel & Nelson, 2010).

2.3.1 Types of Public Sector Corruption

Corruption seems to manifest itself in numerous ways. The search for the types of corruption in the literature generated some different terminologies used by various authors. Factors such as causes, nature, and participants have been used to categorize corrupt practices (Morris, 2011; Xin & Rudel, 2004). For example, ACFE in their report to the nations, classified corruption into a conflict of interest, bribery, illegal gratuity and economic extortion (ACFE, 2016). Whereas, Transparency International (TI) broadly classified corruption into petty and grand corruption (Transparency International, 2008). Also, previous studies have classified corruption into political, bureaucratic, incidental, and systemic corruption (Asongu, 2012; Gould & Mukendi, 1989; Nystrand, 2014; Persson et al., 2013; Xin & Rudel, 2004).

As can be observed from Table 2.1 above, corruption was seen to manifest in different types of conflict of interest, illegal gratuity to economic extortion as perceived by ACFE or it could manifest into either petty or grand corruption as depicted by Transparency International. Furthermore, McCusker (2006) used the nature, focus and scope of corruption to come up with six broad classifications of corrupt practices. Accordingly, corruption takes the nature of petty or grand corruption; focusing on political or bureaucratic actors and scoped to reflect incidental or systematic corruption.

Table 2.1
Classification of corruption

Author	Classification
Association of Certified Fraud Examiners (ACFE)	Conflict of interest Illegal Gratuity Economic extortion
Transparency International (TI)	Petty corruption Grand corruption
Academic research	Political Bureaucratic Incidental Systemic

Source: ACFE (2014), Transparency International (2011) and McCusker (2006)

2.3.1.1 Petty and Grand Corruption

Corrupt practices can manifest into two main forms based on the nature and gravity of the offense, the perpetrators and its effects on the various institutions of government. Accordingly, corruption by its nature is classified into petty and grand corruption (Nystrand, 2014; Rose-ackerman, 1996). Grand corruption, according to Heineman and Heimann (2006), Transparency International (2014) and Pellegrini (2011) is a type of corruption that is committed by high-level officials in public and private organization with unlimited power and authority over governance policy. Chaudhuri and Dastidar (2014) and Chukwujekwu, Chukwuma and Okechukwu (2009) argued that grand corruption is a type of corrupt practice that critically affects government and distorts public policies giving political leaders advantage to the detriment of the public interest. These benefits, as claimed by Olu-Olu (2006) include the diversion of public resources by politicians and bureaucrats, who enjoy legal

protection and popular support of the masses. In addition, grand corruption is characterized by large sum of payment to high-level public officials (World Bank, 1997).

The major forms of corruption under this classification include bribery, kickback, embezzlement, extortion and money laundering (Dada, 2014; Dreher & Gassebner, 2013; Graycar, 2015; Markovska & Adams, 2015; Morris, 2011). Typical international figures involved in grand corruption includes the former heads of government of Indonesia, Philippines, Zaïre, Serbia, Haiti and Nigeria who were alleged to have embezzled between \$300 million and \$33 billion (Transparency International, 2004).

In contrast to grand corruption, petty corrupt practices are committed by lower-level public officials who are in charge of distribution of essential services (Morris, 2011; Olu-Olu, 2006). Transparency International (2011) described petty corruption as the abuse of trust by low and middle-level public employees and as a result of their interface between the general public and the provision of public services. They are mainly supplements to meager wages paid to government officials (Asongu, 2013; Morris, 2011) and becomes part of normal life, especially poverty-stricken societies (Doig, 2013) and common among law enforcement institutions such as police, custom, immigration and middle-level civil servants (Riley, 1999). Although petty corruption might be accepted as a normal way of life in some culture, it can lead to systemic corruption (Doig, 2013; Quah, 2014). In most cases, petty corruption includes bribery, extortion, advance fee fraud and the Nigerian email scams (Adebayo, 2014; Agbiboa, 2014; Riley, 1998).

2.3.1.2 Political and Bureaucratic Corruption

Corruption has also been categorized into political and bureaucratic form (Riley, 1998). The terms are used to describe those acts that influence the formulation of laws, and policies, and the implementation of such legislation and policies (Heywood, 1997). Political corruption is often used interchangeably with grand corruption (Otusanya, 2011). However, political corruption is that act of corrupt practices involving the manipulation of public rules, policies and institutions in the allocation of public resources by political leaders, to secure power, status and wealth (Heywood, 1997; Transparency International, 2013). A similar view was put forward by Ampratwum (2008) where the author described political corruption as a violation of the prescribed rules for the administration of resource allocation in response to financial or political gain. It assumes the use of public office, responsibility or resources for private advantage and is considered illegal act committed in violation of established rules (Otusanya, 2011). They are acts usually perpetrated by elected officers including presidents, prime ministers, governors, and legislature so as to enrich themselves or those close to them (Salisu, 2000). Some have aligned it with votes buying, election rigging and oppression of the opposition in democratic contests (Agbibo, 2013b; Amundsen, 1999).

A common explanation for bureaucratic corruption is that it involves the use of bureaucratic position to obtain economic gain. Otusanya (2011) and Quah (1982) described it as the misuse of public office for a monetary gain through the acceptance of bribes in the implementation of public policies thereby creating inefficiency in the economy. Justesen and Bjørnskov (2014) put it as

solicitation or payment of a bribe in the distribution of public services. It is committed by bureaucrats in government institutions at various levels of administration (Jain, 2001; Morris, 2011).

2.3.1.3 Incidental and Systemic corruption

Further classification of corruption was based on the scope (McCusker, 2006). Under this approach, corruption can be incidental or systemic in scope. Incidental corruption is a form of corrupt that is individualistic in nature, typically involving a small group of individuals who receive bribes and commit little theft in an organization (Ampratwum, 2008; Dion, 2013). Within this framework, Asongu (2013) argued that corruption is the exception as against the rule. Doig and Melvor (1999) and Riley (1998) posit that incidental corruption, usually petty in nature, is a feature of life in the majority of societies, involving isolated individuals or small numbers of people or very junior public officials.

Furthermore, Ampratwum (2008) and Mccusker (2006) argued that corruption could also be systemic in scope. Accordingly, corruption is said to be systemic if it pervades the entire community, state or nation and in the process, it becomes acceptable ways of performing everyday transactions (Persson et al., 2013). Along this line, Ampratwum (2008) argued that this form of corrupt practices affect and influences individual behavior by affecting institutions at all levels of the political and socio-economic system. Identified features of the existence of systemic corruption include low political competitions, weak civil organizations, the absence of an institutional mechanism to control corruption

and low or uneven economic growth (Ampratwum, 2008; Dion, 2013; Persson et al., 2013).

Therefore, the existence of petty corruption that is incidental in scope committed by bureaucrats in societies with uneven economic development is influenced by the presence of political or grand corruption committed by elected or appointed leaders which in turn leads to systemic corruption (McCusker, 2006). Thus, signaling the existence of multiple causes of corrupt practices which assume economic, cultural, legal or political nature (Ades & Tella, 1996; Goel & Nelson, 2010; Treisman, 2000) as is highlighted in the succeeding sections.

2.3.2 Causes of Public Sector Corruption

Corruption has been perceived as the abuse of entrusted power for personal gain and is found to be caused by many factors. Some assume economic dimension, socio-cultural antecedents or political elements (Goel & Nelson, 2010; Lee & Guven, 2013). As a behavioral act, corrupt individuals are rational beings who equate the consequences of corruption and benefits derivable from corrupt practices (Otusanya, 2011). Thus, there are three presumed preconditions, including the motivation, opportunity, and rationale to commit a white-collar crime (ACFE, 2014; Cressey, 1950). Thus, corruption is presumed to be caused by some factors as highlighted in the following headings.

2.3.2.1 Economic Factors

Previous studies have acknowledged the impact of economic factors as the major determinants of corrupt practices across countries (Goel & Nelson, 2010; Treisman, 2000). These include uneven economic growth (Ampratwum, 2008), low wages to public servants, government subsidy (Tanzi, 1998), lack of economic competition (Ampratwum, 2008), poverty (Judge, McNatt, & Xu, 2011) and low investment (Ampratwum, 2008). Other factors include inequality in economic growth (Fischer, Ferreira, Milfont, & Pilati, 2014; Otusanya, 2011), and wealth distribution (Nye, 1967) leading to poverty and causing corrupt practices (Transparency International, 2008; Treisman, 2000; Yusuf et al., 2014). Additionally, government intervention, the presence of abundant natural resources and poor economic empowerment are some of the economic factors leading to corruption (Asongu, 2013; Heineman & Heimann, 2006). Treisman (2000) posits that endowment of natural resources in a country opens room for rent-seeking behaviors. This is particularly the case where the country's socio-cultural and historical factors are in line with corrupt tendencies (Graaf, 2007; Søreide, 2014).

2.3.2.2 Socio-Cultural Factors

As depicted in the preceding subsection of this study on the causes of corruption, factors such cultural norms, religious affiliation, colonial history and absence of national community were argued as contributors to the perceived level of corruption (Goel & Nelson, 2010; Nye, 1967; Treisman, 2007). Asongu (2013) posits that the absence of national ethical values; deteriorating moral values and patriotism are some of the social factors breeding corrupt practices.

Low level of democratic culture and absence of citizen participation are also some of the socio-cultural factors causing corruption in Africa (Asongu, 2012; Treisman, 2007). Primarily, there is an argument which posits that African culture hardly distinguishes between private and public interests and is dominated by the culture of gift-giving (Dion, 2013). Especially, the issue of gift-giving, which is a common feature on the continent. Consequently, encouraging the abuse of public office, especially in societies that are characterized by low economic development, extreme income disparity and hierarchical social status systems (Fischer et al., 2014; Treisman, 2000).

Furthermore, in the African context, culture is unique (Aluko, 2002). Cultural factors such as the desire to delight kinsmen, favoritism, tribalism and dearth of true leaders encourage corruption especially in Africa (Elijah, 2007; Otusanya, 2011). Also, Ampratwum (2008) highlighted the impact of extended family pressures, ethnic loyalties, and competitive ethnicity as some of the important causes of corruption in Africa, especially where there is an ineffective legal system (Treisman, 2007).

2.3.2.3 Legal Factors

The theory of public choice advances that individuals are rational beings and take decisions based on costs and benefits analysis (Montinola & Jackman, 2002). Otusanya (2011) observed that one of such decisions is to commit corrupt practice. The benefits derivable from corruption are weighed against the consequences of corruption in the form of social stigma, apprehension and punishment thereby influencing the decision to commit a white-collar crime

(Treisman, 2000, 2007). Challenges in the enforcement mechanism (Nye, 1967), inefficiencies in the legal system, legal culture and type of law were primary legal factors contributing to the level corruption in a country (Treisman, 2000). It was further argued that one of the factors contributing to Nigeria's current corruption level is the ineffectiveness of the legal system chiefly insufficiency of the court system, causing delays in judgments and the roles of lawyers in frustrating the legal process (Human Right Watch, 2011; United State Department of International Affairs, 2013). Therefore, legal factors of a given country determine the perceived level of corruption in that country especially those countries where cultural factors dominate the scene (Agbiboa, 2013b). In addition, Treisman (2000) posits that colonial history and cultural traditions have an impact on the level of perceived corruption in a country.

2.3.2.4 Political Factors

Studies have found a relationship between corruption and the degree of democracy, the system of government and colonial heritage (Ades & Tella, 1996; Goel & Nelson, 2010; Gould & Mukendi, 1989; Hope, 2014; Treisman, 2007). The relevance of democracy to economic development, freedom of speech and press as well as political competition have been used to deter corruption (Treisman, 2000). International organizations such as the World Bank and the United Nations (UN) have called on the government to adopt democracy, ensure accountability and good governance (De-Maria, 2008; Hauk & Saez-Marti, 2002). Democracy has been considered a vehicle of accountability, transparency and good governance and hinders the prevalence of corrupt practices (Pillay, 2004). In fact, functional democracy ensures check

and balances among levels and tiers of government as political and bureaucratic corruption have been attributed to poor institutional structures in government (Ampratwum, 2008; Otusanya, 2011). It is cautioned that government policies that interfere with private sector activities were considered driving force for corruption (Ades & Tella, 1996; Otusanya, 2011).

The presence of democratic governance and legal framework alone may work against corruption (Treisman, 2007). However, the type of laws and level of enforcement of such laws significantly determine country's level of corruption as a dysfunctional legal system, non-existence of well-defined rules, absence or presence of weak anti-corruption reforms may also lead to the prevalence of corruption (Ampratwum, 2008; Elijah, 2007; Treisman, 2000). Similarly, Nye (1967) posits that weakness in enforcement institutions and weak mechanism of government were contributing factors in the nation's level of corrupt practices.

2.3.3 Consequences of Public Sector Corruption

Extant literature has deliberated on the consequences of corruption. For example, studies by Méon and Weill (2010) and Leff (1964) argued that corruption improves efficiency and technically referred to as "Greasing the Wheel" (Aidt, 2009; Dreher & Gassebner, 2013). However, corruption is believed to have a detrimental effect on economic development and hence social welfare. Along this line, Mauro (1995) and Lambsdorff (2006) have found adverse effects of corruption on economic indicators. Specifically, corruption affects economic development by affecting investment, creating poverty and influencing productivity (Gould & Mukendi, 1989; Mauro, 1995; Nye, 1967).

Countries high in corruption have lower growth rate, investment, policy effectiveness and Foreign Direct Investment (Cuervo-Cazurra, 2016). In order to grasp the effects of corruption, this study broadly classified the presumed effects into social, economic and political indicators and are elaborated in the subsequent subheadings.

2.3.3.1 Social Consequences of Corruption

Corruption undeniably has the most corrosive effects on the social welfare of the poor and dampens social justice (Li et al., 2015). It denies poor access to basic needs mainly due to the diversion of public expenditure from essential requirements to projects that provide ground for bribery, kickback and other forms of corrupt practices (Ampratwum, 2008; Transparency International, 2014). While in their study of the effects of corruption, ONE (2014) put the statistics in terms of number of deaths that can be prevented, schools provided and poverty alleviation. Accordingly, the study believes that if the money syphoned from developing countries is put into use, it could prevent 3.6 million deaths, pay for about 500,000 school teachers, and provide schools for all out-of-school children in 16 African countries.

Similarly, Global Witness (2015) summarizes the effect of corruption scandals in Nigeria in the form of annual budgetary allocation. In their view, the amount diverted from an illicit deal by government agents in one transaction is more than 80% of the country's fiscal budget. Accordingly, this could provide training for midwives and prevent the death of 145 women daily in the process of childbirth (Thisday, 2016). Also, UNICEF (2012) observed that the amount

syphoned could provide schools for over 10.5 million out-of-school children in Nigeria.

Furthermore, Doig (2013) and Ngube and Okoli (2013) argued that corruption generates income inequality and leads to high level of poverty especially in developing countries thereby worsening the social fabric of these developing nations. In fact, corruption creates poverty and inequality (Justesen & Bjørnskov, 2014; Yusuf et al., 2014) and unemployment leading to economic crisis (Akume & Okoli, 2016).

2.3.3.2 Effects of Corruption on Economic Factors

Previous researchers have found and reported the effects of corruption on economic indicators (Elijah, 2007; Hodge, Shankar, Rao, & Duhs, 2011; Mauro, 1995; Nye, 1967; Tanzi, 1998). Specifically, corruption was found to affect economic growth and development, and foreign direct investment (Jain, 2001; Mauro, 1995; Siddiquee, 2010). This, in turn, becomes an obstacle to economic progress. Bassey et al. (2013) and Jain (2001) believe that corruption is the cause of the failure of local entrepreneurship and public enterprises.

Furthermore, Heineman and Heimann, (2006) argued that corruption distorts markets and economic competition because it fosters capital outflow due to extravagant consumption of corrupt individuals leading to uncontrolled debt position of developing countries, and the subsequent inflation and economic hardship experienced by such countries. Joshua and Oni (2014) and Agbiboa

(2013b) argued that corruption produces wastefulness and incompetence in an economic system leading to revenue losses and distorting economic policies.

In a study, Hevie (2007) quoted that the cost of corruption in Africa is estimated at a combination of aid to Africa and annual Gross Domestic Product (GDP) of three African countries. The study puts the figure to equals \$30 billion in the form of aids to the continent and the combined GDP of Ghana, Uganda, and Kenya. In a different perspective, the Association of Certified Fraud Examiners (ACFE) estimated that occupational fraud amounted to \$2.9, \$3.5 and \$3.7 trillion in 2010, 2012 and 2014 respectively. It is, therefore, apparent that fraud has been on the increase (ACFE, 2014; PwC, 2014) leading to loss of revenue to the government and undermining government policies that leads to instability in governance.

2.3.3.3 Consequences of Corruption on Political Indicators

Asongu (2013), Judge et al. (2011), and Doig (2013) advanced that corruption has been the reason for the collapse of governments in Africa and a few developed nations. These include political instability, military takeover and undermining public institutions. Bassey et al. (2013) and Joshua and Oni (2014) posit that corruption creates a reason for the overthrow of government and military intervention in Nigeria. Corruption has the tendency to undermine administrative process, weakening the rule of law and affecting the implementation of public policy (Elijah, 2007), and it is a major barrier to institutional development (Heineman & Heimann, 2006). While Siddiquee (2010) argues that corruption lead to a misallocation of public resources. Similar

views were presented by Agbiboa (2013b), Pillay (2004) and Ngube and Okoli (2013) where they put forward that corruption affects government institutions to function efficiently in the delivery of goods and services, hence, undermining the legitimacy of government and hindrance to genuine democracy.

2.3.4 Perception of corruption in Nigeria

Although corruption is a global issue cutting across countries and continents, its pervasiveness varies among nations and territories. Previous studies have also associated corruption with the level of development, the system of government and legal regime (Graaf, 2007; Treisman, 2000, 2007). As was observed in section 2.4 above, corruption thrives in countries where there is a low level of economic development, the existence of abundant natural economic resources and a federal system of government (Treisman, 2007). Nigeria fits into these descriptions, and the perceived level of corruption is high as depicted by various international reports (Transparency International, 2013).

Institutional reports have described Nigeria as a place where corruption is high (Transparency International, 2014) and massive in nature (United State Department of International Affairs, 2013). Likewise, academic research findings have reported pervasiveness of corruption in Nigeria (Agbiboa, 2013b; Oke, 2014). For example, Bassey et al. (2013) posit that corruption is a common phenomenon on the Nigerian street, homes, traditional and religious institutions as well as the workplace. They, therefore, assert that corruption is perverted at all level of the social strata and practiced during the military era and is being pervaded under the existing democratic governance.

2.3.4.1 Corruption During the Military Regime in Nigeria

Although military interventions were aimed to eradicate irresponsible and opportunistic politician from governance, their involvement was one of the leading causes of corruption in Nigeria (Agbibo, 2014). Historical records indicate that the military ruled Nigeria for over 28 years out of 40 years of its existence before the current democratic dispensation (Akume & Okoli, 2016). During this period, two major military regimes were distinct in corruption cases. The Babangida regime (1985-1993) and the Abacha military dictatorship (1993-1998) were considered the most corrupt military era in Nigeria (Agbibo, 2013b; Osoba, 1996). According to Agbibo (2014), the Babangida-led military government was accused of encouraging corrupt practices by pardoning individuals accused and sentenced for corruption-related offenses and its inability to account for over \$12.67 billion oil windfall. The review further described the Abacha military regime as most corrupt, arguing that over \$50 million was syphoned in his eight years of military rule. Shehu (2005) claimed that between the 1980s and 1990s, the period of military rule, corruption was institutionalized as a way of life and means to retain power. Furthermore, Agbibo (2014) posits that the amount stolen between 1960 and 1999 was enough to rebuild Europe after the cold war. Even though the military was blamed for institutionalizing corruption, the records also depict high incidences of corrupt practices under the civilian regime especially between 1999 and 2015 (Akume & Okoli, 2016; Osoba, 1996).

2.3.4.2 Corruption Under Democratic Governance in Nigeria

With the Nigeria's return to democracy in 1999, it was assumed that with democracy, there would be economic development and corruption will be fought squarely (Surajudeen, 2015). In an inaugural speech, former Nigerian President Obasanjo was quoted to have said that his government aimed to combat corruption in Nigeria (Shehu, 2015). The Obasanjo's government efforts led to the creation of two (2) anti-corruption agencies. These are the ICPC and the EFCC. Their mandates were to fight corruption from the Nigerian state (FGN, 2000, 2004).

However, the Obasanjo administration was accused of numerous corrupt practices. For example, in a bid to remain in power for a third term, it was reported that the President bribed parliamentary members with \$400,000, accused his Vice President of corruption and recorded a high number of grand corruption involving Ministers, governors and legislatures (Joshua & Oni, 2014). Some of the Minister charged with corruption offense are shown in Table 2.2.

In the content of Table 2.2, five Ministers that served under the Obasanjo administration were charged to court between 2008 and 2011 for corrupt practices. These were Ministers of Health, Aviation, and Works, signifying grand corruption committed by high profile political officers and abusing same to their advantage.

Table 2.2
Ex-Ministers alleged with corruption offenses

Name	Position	Date charged
Adenike Grange	Former minister of health	April 2008
Gabriel Aduku	Former minister of health	April 2008
Babalola Borishade	Former minister of aviation	July 2008
Femi Fani-Kayode	Former minister of aviation	July 2008
Hassan Lawal	Former Minister of works	May 2011

Source: Human Right Watch (2011)

Furthermore, most of the state governors that served under the Obasanjo government were accused of public sector corruption (Shehu, 2015). A majority were involved in money laundering (Adams & Nya, 2015). For example, the former governors of Plateau, Bayelsa and Delta states were accused and investigated for corruption and acquiring illegal assets in London, South Africa and Nigeria (Agbibo, 2013a). As shown in Table 2.4 above, fifteen (15) governors were charged to courts for offenses involving money laundering and embezzlements. For example governors of Ogun, Oyo, Nasarwa and Gombe states were arrested for misappropriating million US Dollar (United State Department of International Affairs, 2013). These governors were alleged to have operated bank accounts in more than six (6) countries (Agbibo, 2014).

Table 2.3
Ex-Governors charged with financial crimes

Name	State	Date charged to court
Diepreye A.	Bayelsa	Dec. 2005
Abubakar Audu	Kogi	Dec. 2006
Joshua Dariye	Plateau	July 2007
Orji Kalu	Abia	July 2007
Saminu Turaki	Jigawa	July 2007
Jolly Nyame	Taraba	July 2007
Chimaroke Nnamani	Enugu	July 2007
James Ibori	Delta	Dec. 2007
Ayo Fayose	Ekiti	Dec. 2007
Lucky Igbenedion	Edo	January 2008
Michael Botmang	Plateau	July 2008
Boni Haruna	Adamawa	August 2008
Rashidi Ladoja	Oyo	August 2008
Attahiru Bafarawa	Sokoto	December 2009
Abdullahi Adamu	Nasarawa	March 2010

Source: Human Right Watch (2011)

Another arm of government that is responsible for legislation has also been amassed in corrupt practices. The past Speakers of the House of Representatives were all accused of corruption with the exception of Speaker Na'aba, who served under the Obasanjo administration (Joshua & Oni, 2014). Starting with the Speaker Buhari's falsification of academic qualification, Patricia and Bankole were all accused of grand corruption, an evil they ought to fight.

Patricia Etteh, Nigeria's first female Speaker, was impeached on the ground of corruption. The alleged corruption offenses committed by her include the approval of the purchase of body massage machines for her personal use worth over N600 million and the approval of over N238 million for the renovation of her official residence (Joshua & Oni, 2014). She was impeached and Bankole was elected as the speaker who upon the assumption of office promised to fight corruption and was equally accused of corrupt practices. He was accused of purchasing 380 units of Peugeot 407 cars at a value of N2,359,486,500 instead of the market price of N1,938,000.000 and overvaluing the purchase of four units Range Rover and three units of Mercedes-Benz S-600 for his personal use (Joshua & Oni, 2014). In another purchase scandal, the former speaker bought over 431 units of LCD television set for the members at N525,000 instead of the N180,000 market prices. Equally important was the accusation of jacking his salary from N8 million to N400 million without passing through the legislative procedures (Joshua & Oni, 2014). The existence of corruption in the executive and legislature were attributed to systemic corruption created by the abundance of natural resource (Bhattacharyya & Hodler, 2010; Treisman, 2007).

The presence of abundant natural resource in Nigeria has contributed to the perceived level of corruption in Nigeria (Osoba, 1996). Nigerian revenue is dependent on oil industry which accounts for more than 80% of the annual income to the country (OPEC, 2016). Reports emanating from the sector revealed that about \$6.8 billion had been misappropriated in a subsidy scam (Ayodele, 2014). In the report to the Parliament, the Honorable Faruk Lawal Committee on fuel subsidy probe discovered massive cases of fraud, corruption, and mismanagement of the fuel subsidy program (House of Representative, 2012).

From the preceding presentation above, there is a presumed perception that corruption in Nigeria is systemic in scope, committed by politicians and bureaucrats which is both grand and petty in nature (Agbibo, 2013a). Thus, corruption was perpetrated by the military regime and being practiced during democratic governance, involving executive, bureaucrats and legislature. Supporting the view that corruption in Nigeria has now become a normal way of life undermining the efforts of the government in the ensuring a corrupt-free country (Agbibo, 2014; Aluko, 2002; Shehu, 2015).

2.4 Anti-Corruption Measures

In the previous sections, the concept of corruption was understood to be the abuse of entrusted power for personal gain, manifesting in different forms and types. The socio-economic and political effects of corruption have been an issue of global development agenda (Doig & Mclvor, 1999). Thus, calling on governments and international agencies such as the World Bank, Organization

for Economic Cooperation and Development (OECD) and the United Nations (UN) to adopt measures aimed at curtailing corrupt practices (Persson et al., 2013; Siddiquee, 2010).

At the international level, global and regional bodies have adopted conventions aimed at minimizing the incidence of public sector corruption (Bello, 2014). These conventions include the United Nation Convention Against Corruption (UNCAC), the Organization for Economic Co-operation and Development (OECD) and the African Union Convention on Prevention and Combating Corruption. The aims of these conventions are to prevent corrupt practices and to discourage movement of illicit fund, especially from developing nations to developed state (The African Union, 2003; Bello, 2014; United Nations, 2004). Additionally, national governments have adopted these conventions and have become members of these organizations (Bello, 2014). This is not to say that other strategies are not in existence in these countries. Each member state has its strategies adopted to suit its peculiar situations. However, most of the approaches adopted are either political, economic or legal in nature or a combination of these approaches (Doig & McIvor, 1999; Hanna et al., 2011).

2.4.1 Governance and Institutional Reforms

One of the strategies adopted in fighting corruption is through governance reforms. Accordingly, Riley (1998) suggested the strengthening of public institutions through democratization and economic liberalization. The assumption is that democratization ensures political competition, accountability, transparency, and legitimacy of good governance. Earlier, the

political efforts to fight corruption were mainly parliamentary oversight, financial reforms, empowerments and people focused reforms (Doig & McIvor, 1999). Additionally, there is a call by different quotas including donor and international organizations, that preconditions for effective anti-corruption strategies are good governance, democracy, accountability and transparency (Doig, 1995; Pillay & Kluvers, 2014). Along this view, Heineman and Heimann (2006) suggested four approaches to tackling corruption. These are impartial enforcement of laws, administrative and institutional reforms that ensure accountability and transparency, and transmission of positive values to citizens.

The central factor in this approach is matured democracy that ensures transparency and accountability through good governance (Doig, 1995). Democracy is assumed to encourage political competition, freedom of expression and accountability through check and balance (Billger & Goel, 2009). In addition, institutional reforms including anti-corruption reforms, are usually initiated under democratic governance (Persson, Rothstein, & Teorell, 2010; Persson et al., 2013). However, this approach has failed to produce the desired results because of the systemic nature of corruption in most developing countries (Persson et al., 2010) and the existence of economic factors.

2.4.2 Economic Measures

Ades and Tella (1996) argued that corruption cannot take place in perfect competition, as diluting the value of control rights will limit corruption particularly by increasing competition in the economy (Dong, 2011; Jain, 2001). Building upon this approach, corruption is perceived to occur where there is a

discretionary power by a public officer over the distribution of essential services (Goel & Nelson, 2010; Søreide, 2014). Strategies such as creating overlapping jurisdiction were adopted to minimize bribery and extortion (Doig & McIvor, 1999). In their views, Ades and Tella (1996) proposed an increase in salaries of bureaucrats in the same level of that in the private sector which is practically feasible where corruption is assumed to be caused by low payment to the public worker which does not cater for their basic needs. The study argued that economically creating competition, increasing salaries and tightening legal measures minimize corrupt practices.

2.4.3 Legal Reforms

The legal efforts made by governments in fighting corruption have had a positive impact on their anti-corruption crusade. Søreide (2014) argued that increasing the chances of investigation, apprehension, conviction, and penalties reduce the occurrence of corrupt practices. Hence, the majority of anti-corruption measures are centered on legal reform (Doig, 1995). These include enactment of anti-corruption laws, conventions and enabling the creation of agencies that can prosecute corrupt offenses.

Doig and McIvor (1999) insinuate that efforts to combat corruption have been focused on building up an effective legislation, improving court system and the rule of law. Also, the effectiveness of anti-corruption efforts has been linked to an effective legal system that is free from corruption (McCusker, 2006). Hence, many countries have taken the legislature measures as an important step in fighting corruption. Despite the existence of these measures, corruption has

remained a serious issue and previous studies, therefore, have focused attention on the formation of anti-corruption agencies as an alternative to unsuccessful anti-corruption measures (Gregory, 2015; Quah, 2015a).

2.4.4 Formation of Anti-Corruption Agencies

Although there is the existence of numerous anti-corruption strategies, the establishment of an independent institution is considered the obvious government response to endemic corruption (Persson et al., 2013; Quah, 2009). Meagher (2005) argued that most government response to systemic corruption is the creation of an independent body. This reaction could be attributed to international pressures, the requirement of international organizations and donor agencies, or as a result of domestic demand (Persson et al., 2013; Umoh & Ubom, 2012). Subsequently, a number of countries have established a body aimed at fighting corruption. A general name given to these agencies is Anti-Corruption Agencies (ACAs) or Anti-Corruption Commissions (ACCs) (De Sousa, 2010). Meagher (2005) described ACAs as specialized organizations established by governments for minimizing corrupt practices.

The content of Table 2.4 revealed that Singapore established its Corrupt Practices Investigation Bureau (CPIB) in 1952, Malaysian Anti-Corruption Commission (MACC) in 1967 and Nigerian Economic and Financial Crimes Commission was established in 2003 (Quah, 2015c; Shehu, 2015; Siddiquee, 2010). However, these agencies have different typology of existence.

Table 2.4
Established anti-corruption agencies (ACAs)

S/No	Country	Year	Name of the organization
1.	Singapore	1952	Corruption Practices Investigation Bureau
2.	Malaysia	1967	Malaysian Anti-Corruption Commission
3.	Hong Kong	1974	Independent Commission Against Corruption
4.	Ghana	1993	Commission on Human Rights and Administrative Justice
5.	Nigeria	2003	Economic and Financial Crimes Commission
6.	Cameroun	2006	National Anti-Corruption Commission

Source: Osifo (2014), Quah (2015) and Shehu (2015)

Accordingly, an ACA may be designed to have broader functions of investigation, prevention and education with jurisdiction in both public and private sector or it could just provide anti-corruption ombudsman and other special services for public sector only.

Table 2.5
Typology of Anti-Corruption Agencies

ACA	Country	Functions	Jurisdiction
CPIB	Singapore	Investigation, prevention and education	Public and private sector
ICAC	Hong Kong	Investigation, prevention, and education	Public and private sector
CBI	India	Anti-corruption, economic and special crimes	Public sector
CCAC	China	Anti-corruption and ombudsman	Public sector
KICAC	South Korea	Anti-corruption, ombudsman and admin appeals	Public sector
EFCC	Nigeria	Investigation, prevention and education	Public and private sector

Source: Doig et al., (2005) and Quah (2009)

In Table 2.5, Singapore's CPIB, Hong Kong's ICAC and Nigeria's EFCC have the jurisdiction to combat corrupt practices in both public and private sectors and focus on investigation, prevention, and minimizing the opportunities for corruption and educating people on adverse effects of corruption.

2.4.5 Economic and Financial Crimes Commission

The Economic and Financial Crimes Commission (EFCC) was formed by an Act of parliament in 2003 (Obuah, 2010a; Raimi et al., 2013). It was established by the provisions of Section one (1) of the Economic and Financial Crimes Control (EFCC) Act 2004, as amended. The EFCC Act 2004 empowers the agency to enforce all economic and financial crime laws in Nigeria (Umoh & Ubom, 2012) by investigating and prosecuting corrupt practices in Nigeria. These corrupt practices, according to Raimi et al. (2013) include embezzlement, bribery, money laundering and other forms of economic crimes. In addition, the EFCC has the power to identify, trace, freeze, confiscate or seize assets of corrupt individuals or organizations; the protection of national and foreign investment, encouraging hard work and discouraging illicit and illegal transactions (FGN, 2004; Obuah, 2010b).

Similar to other ACAs, the EFCC's strategy includes investigation, prevention, and prosecution of corrupt practices (Obuah, 2010a; Umoh & Ubom, 2012). Broadly, the commission's activities include intelligence gathering, investigation, and community education (FGN, 2004). Therefore, the Commission seeks to achieve its objective through the three principles of a corruption investigation and prevention, community education and law enforcement (Obuah, 2010b).

The creation of the EFCC marked a significant landmark on the war against corruption in Nigeria. It saw the shift from rhetoric to the actual fight against corrupt practices (Human Right Watch, 2011; Samuel, Chinoye, & Prosper,

2013). It swung into action by calling on the general public to forward complain about corrupt practices. This act saw public support and earned the EFCC a significant respect (Obuah, 2010b).

The Commission has been engaging in investigating, arresting, detaining, recovering stolen assets and jailing criminals (Human Right Watch, 2011). Notable among the achievement of the Commission is the investigation of high-profile criminal cases involving political leaders and captain of industries. Since its inception in 2003, the EFCC was reported to have arraigned prominent political elite in the country (Shehu, 2015).

Despite the efforts recorded, the EFCC has been battling with a number of difficulties. These include the legal environment and the Nigeria culture (Oke, 2014; Okogbule, 2006), instability of leadership due to political interference (Quah, 2010; Sowunmi et al., 2010) and the nature of financial crimes and the inadequacy of required expertise (John, 2012; Obuah, 2010a, 2010b) as well as non-adoption of advance fraud investigation (Dada, 2014).

Administratively, the EFCC is headed by an officer, not below the rank of assistant commissioner of police with at least 15 years' experience (FGN, 2004). In so doing, the EFCC is functionally differentiated into operation, legal and prosecution, research, administration, and training. Each of these directorates is headed by a director (Akume & Okoli, 2016). The operation directorate is concerned with the investigation of economic and financial crimes, the legal and prosecution directorate institutes legal actions in courts of law while the public affairs directorate is responsible for educating the general

public on the activities of the commission and the adverse effect of corruption in Nigeria (EFCC, 2013).

Additionally, the administration directorate is responsible for administrative services including finance, human resource, planning, research and statistics while the EFCC academy provides training to the operatives of the EFCC and other law enforcement agencies (EFCC, 2013). Furthermore, the EFCC has six zonal offices spread across the geopolitical zones of the country and directly report to the operation directorates.

Functionally, the prosecution of corruption by the EFCC starts with the receipt of complaints from the public to that effect. Once the petition falls within the jurisdiction of the commission, a full investigation is initiated to ascertain whether the accused person has committed the said offence (Akume & Okoli, 2016). As argued by Akume and Okoli (2016), the power to fast track the speedy trial of corruption cases is beyond that of the commission but reside with the courts.

Since inception in 2003, various studies have been conducted to appraisal the performance of the EFCC in minimizing corruption in Nigeria. For example, Sowunmi et al. (2010) examined the role of the EFCC in reducing corruption in Nigeria and reported that the agency has not succeeded in minimizing corruption in Nigeria. The study linked the poor performance to government interference and manpower issues. Umoh and Ubom (2012) on the hand attributed the poor performance of the EFCC to legal issues. Other have linked it to lack of competency in fraud investigation and prosecution process (Dada

et al., 2013; Obuah, 2010b) without thoroughly explaining how these factors influence the performance of the EFCC.

The majority of the challenges of the EFCC, as enumerated above, are contextual in nature requiring strong government commitment and are outside the control of the EFCC. However, the adoption of forensic accounting is presumed to be a decision of the management of the EFCC. Specifically, the bulk of the work of the EFCC revolves around fraud investigation and prosecution. Therefore, calling for specialized skills in fraud investigation, expert witnessing and financial accounting skills. This study, therefore, adds to the existing accounting literature on the performance of the EFCC by exploring the influential factors on the adoption of forensic accounting in fraud investigation. This was also motivated by the finding on the effectiveness of forensic accounting in fraud investigation and the recommendation for its adoption by the EFCC in fraud investigation and low adoption rate of forensic accounting in fraud investigation.

2.5 General Approach to Fighting Fraud

The process of fighting occupational fraud and abuses by professional accountants involves fraud prevention, detection and investigation (Albrecht et al., 2012). In fact, Albrecht et al. (2012) argued that a comprehensive approach to fighting fraud focuses on fraud prevention, proactive detection, investigation, and legal follow-up. This shows a sequential means of fighting fraud.

2.5.1 Fraud Prevention

An organization is expected to prevent frauds by creating and maintaining a culture of honesty and ethical standards as well as assessing fraud risks and developing proactive responses to mitigate and eliminate the opportunities for fraud (Albrecht et al., 2012). Creating a culture of honesty and ethical standards requires the modeling of organizational and employee behavior, proper recruitment process, appropriate organizational communication and creating a positive work environment by developing, adopting and maintaining an effective anti-fraud policy. Other measures include effective internal control system and internal auditing (Caplan, 1999). However, preventing fraud completely is generally impossible in a cost-effective manner but the cost of fraud can be managed effectively (ACFE, 2010; Albrecht et al., 2012; Manning, 2005).

2.5.2 Fraud Detection

The inability to completely prevent fraud from occurring leads to the next approach to fighting occupational fraud. The approach is through fraud detection. ACFE (2002) argued that a key to fighting fraud is detecting it when it occurs. Fraud detection involves activities to determine the occurrence of fraud in an organization. A number of fraud detection approaches have been adopted by organizations (Albrecht et al., 2012). These include whistleblowing (Ibrahim et al., 2015; Lee & Fargher, 2013) and data mining (Ngai, Hu, Wong, Chen, & Sun, 2011; Sharma & Kumar, 2012; Thiruvadi & Patel, 2011). However, it is argued that most frauds are detected by chance (ACFE, 2012; Albrecht et al., 2012). Accordingly, the most common method of detecting

fraud is through tipping from an employee, efficient reporting mechanisms and opened channels of communication (ACFE, 2014). In other words, occupational frauds, as reported by ACFE (2010), are likely to be detected by a tip than any other medium of fraud detection. The aim of fraud detection is to establish a predicament of fraud (Albrecht et al., 2012). Detecting fraud is not an end to the fight against fraudulent practice but a medium for fraud investigation.

2.5.3 Fraud Investigation

The preceding discussion was on fraud prevention and detection. Fraud detection arises when there is a failure in fraud prevention mechanism. In this subsection, the review will focus on fraud investigation which is dependent on reported case of fraud. Fraud investigation is initiated upon the identification of fraud predicament (Albrecht et al., 2012). A fraud predicament is the circumstances that would lead a reasonable and prudent professional to believe the occurrence of fraud in an organization. Fraud investigation is usually initiated to determine the occurrence of fraud. This involves the identification of who, why, when, where and how elements of fraud (Albrecht et al., 2012).

Fraud investigation, according to Albrecht et al. (2012) is a complex and sensitive matter requiring professionalism. Lack of professionalism in fraud investigation may affect the reputation of innocent individuals; guilty individual may go free and leaving organization at the risk of future occurrences (Albrecht et al., 2012).

The process of fraud investigation can be classified into two. The first being the process of obtaining documentary evidence and second is the process of identifying fraud elements and motivation (Albrecht et al., 2012). In every fraud investigation, documentary evidence is collected, accumulated and presented to support the occurrence or otherwise of fraud in an organization.

Under the first phase of fraud investigation, four types of evidence are collected to establish the existence of fraud. Accordingly, Albrecht et al. (2012) and Manning (2005) listed this evidence to include testimonial, documentary and physical evidence as well as personal observations. In so doing, fraud examiners conduct interviews to gather testimonial evidence; obtain documents from third parties and make documentary analysis to establish the fact of the case. The other medium for collecting evidence for investigation involves physical examination of tangible assets. These include fingerprint, identification of stolen property and other assets that can be linked to the fraudulent conversion of stolen assets (Albrecht et al., 2012). In addition, evidence can be obtained from personal observation through covert operation and surveillance.

The second phase entails the identification of the element and motivation of fraud. Under this stage, investigators are expected to search for the motivation of fraud. Cressey (1950) postulated that three elements give rise to fraud. Therefore, fraud investigation will be the process of identifying perceived financial pressures, the existence of opportunities, or the tendency to rationalize the act (Murdoch, 2008). In addition, there are three investigative methods when focusing on the fraud element. Theft act, concealment and conversion investigation methods (Albrecht et al., 2012). Theft act investigation approach

is concerned with the efforts to catch the perpetrators. Efforts to trace records, documents and computer programs where fraudsters may conceal fraudulent acts requires concealment investigation approach. The third approach is to identify any efforts to convert stolen assets into other assets or properties. This method is known as conversion investigation (Albrecht et al., 2012).

The above phases or stage of fraud investigation may be carried out by law enforcement agency, fraud examiners or forensic accountants. However, fraud investigators must be experienced and objective. In other words, the sensitivity of fraud investigation requires that extreme care must be taken when conducting a fraud investigation. This requires the possession of particular skills. The core competencies required of a fraud investigator are analytical, communication and technological skills (Albrecht et al., 2012; Prabowo, 2013). The relevance of accounting and legal knowledge and other fraud related skills can never be emphasized. The ACFE requires fraud examiners to have professional knowledge of accounting and auditing, criminology and sociology, fraud investigation, loss prevention and law as preconditions for the membership of the association.

2.6 Enhancing EFCC's Fraud Investigation

Considering myriad of factors mentioned by the previous studies, this study intends to add to the literature that the effectiveness of ACA depends on, to some extent, professionalism. According to OECD (2013), Quah (2010) and Meagher (2005), professionalism refers to the presence of staff with special skills in fraud investigation. In addition, the relevance of specialized skills in

fraud investigation has been stressed in previous works (Albrecht et al., 2012; Manning, 2005). Stressing that most ACAs evolved or take the form of law enforcement agencies (Quah, 2015a). It is argued that law enforcement personnel lack the training and expertise in fraud investigation (Manning, 2005). Therefore, enhancing the effectiveness of the EFCC's fraud investigation requires the adoption of forensic accounting as global best practices and more efficient in nature. This is because previous studies have examined and strongly recommended the use of forensic accounting in fraud investigation by the EFCC (Akenbor & Ironkwe, 2014; Dada, 2014; Dickson et al., 2013; Efiog et al., 2016; Enofe, Okpako, & Atube, 2013).

2.7 The Concept, Relevance and Adoption of Forensic Accounting in Fraud Investigation

The global concern over the collapse of giant companies and associated loss due to fraud and corruption has attracted debates among researchers, policy makers, and professionals alike (Muthusamy, Quaddus, & Evans, 2010). Sharma Kumar (2012) posit that the failure of internal auditing in identifying frauds has led to use of specialized procedures to detect and investigate accounting fraud, collectively known as forensic accounting. Efforts to fully determine the types of frauds committed, causes and prevention, have been with little success. According to Prabowo (2013), these fruitless efforts were caused by the emerging sophistication in frauds tactics.

Therefore, efforts were made by the professional and the academic to devise means of combating fraudulent practices (Muthusamy et al., 2010). The need for more skillful professionals to deter, investigate and detect fraud, led to an

accounting profession called investigative or forensic accounting (Akkeren, Buckby, & MacKenzie, 2013; Prabowo, 2013; Singleton, Singleton, Bologna, & Lindquist, 2006) with growing number of institutions providing forensic accounting program (Prabowo, 2013; Rezaee & Burton, 1997; Seda & Kramer, 2014).

The definition of forensic accounting evolved from the need to properly, prevent, detect, investigate and prosecute fraudulent activities (Prabowo, 2013; Singleton et al., 2006). For example, Smith and Crumbley (2009) opined that forensic accounting involves the activities of identifying, interpreting and communicating evidence underlying economic events. Wells (2008) sees forensic accounting as the acts of resolving an allegation of fraud. According to the author, it involves the act of obtaining documents, interviewing, reporting, testifying in a courtroom and assisting in the investigation and prevention of frauds and other related matters.

In the same view, Gottschalk (2011) defined forensic accounting as a process of identifying, extracting, reporting, and verifying past financial data. It is the process of thorough data collection and scrutiny for the purpose of litigation support, testimony in courts and investigation (Rezaee, Lander, & Reinstein, 1992). Manning (2005) also defined forensic accounting as “the science of gathering and presenting financial information in a form that will be accepted by a court of jurisprudence against perpetrators of economic crimes” (Manning, 2005 p v) Bologna and Linquist (1995) see forensic accounting as the use of financial and investigative skills to discover material evidence to resolve fraudulent issues. Haron, Mohamed, Jomitin, and Omar (2013) simply describe

forensic accounting as a discipline combining the knowledge of accounting, auditing, and law. Fakile, Ojeka, and Faboyede (2012) saw forensic accounting as the application of accounting concepts and principles to legal issues.

Therefore, this study acknowledges that forensic accounting is the application of specialized knowledge of accounting, auditing, and legal skills in the identification, investigation, prevention and prosecution of financial crimes (Prabowo, 2013). The justification for this view is that it incorporates basic skills needed for investigating and prosecuting economic and financial crimes (Manning, 2005). Most frauds involve manipulation of financial data and engaging in fraudulent activities through creative accounting (Ijeoma, 2015). Therefore, the necessity of accounting and auditing skills are essential (Prabowo, 2013). Considering the damages caused by fraud, recovery of assets and penalty for fraud requires courts actions, having legal knowledge is essential particularly when expert's witness is required (Pagano & Buckhoff, 2011). These activities are carried out by professional accountants known as forensic accountants.

2.7.1 Relevance of Forensic Accounting to Fraud Investigation

In the preceding subsection, forensic accounting is considered an integration of accounting, auditing and investigation skills commonly used in fraud detection and investigation process (Bierstaker et al., 2006; Ijeoma, 2015; Muthusamy, 2011). The relevance of forensic accounting to fraud investigation was argued by Muthusamy (2011) on the study of Malaysian companies' use of forensic accounting. According to the study, non-adoption of forensic accounting

services contributed to the escalating rate of fraudulent practices in Malaysia. In a similar study, Bierstaker et al. (2006) have found and reported on the low adoption rate of forensic accounting in fraud investigation despite having highest effectiveness rate among other methods of fraud investigation.

The International law enforcement agencies like the Federal Bureau of Investigation (FBI) have also acknowledged the relevance of forensic accounting in fraud investigation. According to FBI (2012), forensic accountants are engaged in conducting financial analysis; partaking in evidence gathering and interrogation; preparing investigation reports and conducting meetings to discuss strategies with attorneys and providing experts witnessing.

In line with this, empirical studies have established the relevance of forensic accounting in fraud investigation (Carnes & Gierlasinski, 2001; Dada et al., 2013; Owolabi et al., 2013; Zachariah, Aliyu, Ernest, & Ogere, 2014). There is also a reported increasing demand for forensic accounting services due to the growing number of frauds on the global scene (Rezaee et al., 1992). Prabowo (2013), Rezaee, Ha and Lo (2014), Salleh and Aziz (2014) attributed the demand for forensic accounting services to the facts that traditional auditing has not been able to provide the needed tool to fight the menace of frauds including corruption.

In Nigeria, previous studies have reported the relevance of forensic accounting in fraud investigation (Augustine & Uagbale-Ekatah, 2014; Gbegi & Adebisi, 2014). The findings have similar results with that of Bierstaker et al. (2006), and Muthusamy (2011). In their study to examine the relevance of forensic

accounting in fraud investigation in Nigeria, Dada, et al. (2013) found a positive effect of forensic accounting on fraud investigation. In another Nigerian study, Owolabi et al. (2013) examined the extent to which forensic accounting can be used to detect and prevent cases of fraud, bribery, and embezzlement in Nigeria. The study reported the effectiveness of forensic accounting in fraud investigation and recommended its adoption by the EFCC. Furthermore, Dada (2014) examined the application of forensic accounting in the investigation and prevention of corrupt practices. Using survey method, the study reported the effectiveness of forensic accounting in fraud investigation and made a recommendation for its adoption by the EFCC.

Akenbor and Ironkwe (2014) studied the relationship between forensic accounting and fraudulent practices in Nigeria and found a negative correlation between forensic accounting and fraudulent practices in the Nigerian public institutions. As part of the recommendations, forensic accounting was suggested to be adopted by the country's ACAs. Similarly, using descriptive statistics to study the impact of forensic accounting on fraud investigation, Enofe, Okpako, and Atube (2013), found that the application of forensic accounting reduces the level of frauds in an organization.

Despite the reported effectiveness of forensic accounting in fraud investigation and the recommendations for its adoption, previous studies have depicted non-adoption of the service by EFCC in Nigeria (Dada, 2014). Previous studies have tried to assess the factors influencing the adoption of the service by large companies in Malaysia (Muthusamy, 2011; Muthusamy et al., 2010) and among accountants, auditors and fraud examiners in the USA (Bierstaker et al., 2006).

To date, there is insufficient and an in-depth evidence on influential factors on the adoption of forensic accounting by the EFCC in Nigeria.

In their opinion, Bierstaker et al. (2006) linked the adoption of forensic accounting to organizational resources and Muthusamy (2011) associated the adoption of forensic accounting to the cost of hiring forensic accounting experts in fraud investigation in large Malaysian companies. It is in view of these findings that other factors may be attributable to the adoption of forensic accounting in fraud investigation by EFCC in its fraud investigations process (Bierstaker et al., 2006).

2.7.2 The Adoption of Forensic Accounting in Fraud Investigation

Previous studies have recommended the adoption of forensic accounting for fraud investigation. In this context, adoption refers to the initiation, decision and implementation of forensic accounting, as an accounting innovation, in fraud investigation. Accordingly, the adoption of forensic accounting may be as a result of managerial choice or imposed by external conditions (Damanpour & Schneider, 2006). The process of adoption includes awareness, adoption and implementation (Damanpour & Schneider, 2006; Rogers, 2003).

Awareness arise as a need for a solution to fraud investigation caused by the dynamic of modern fraud tactics, searching for suitable fraud investigation and proposing its adoption. Damanpour and Schneider (2006) argued that adoption decision reflects the technical, financial and strategical evaluation of the proposed fraud investigation and accepting it as the desired solution by

allocating resources for implementation. On the other hand, implementation consists of activities and actions to modifying the current fraud investigation, preparing the organization for its use (Damanpour & Schneider, 2006).

The decision for adoption of forensic accounting for fraud investigation may be full adoption, partial adoption or non-adoption. Accordingly Dada (2014), suggested the adoption of forensic accounting by creating a forensic accounting in the structure of the EFCC. In other words, the adoption of forensic accounting refers to the creation of a separate forensic accounting unit, staffed with forensic accountants and used in fraud investigation. Partial adoption of forensic accounting may refer to the use of forensic accounting experts in fraud investigation without creating a forensic accounting unit. Non-adoption of forensic accounting in fraud investigation indicates no implementation of forensic accounting in fraud investigation. Thus, neither forensic accountants are used nor forensic accounting is created.

2.7.3 Factors Influencing the Adoption of Forensic Accounting

Several studies have been conducted on adoption of innovation including accounting innovations (Askarany & Yazdifar, 2012; Qadr, Azhar, & Imam, 2013). Previous studies were conducted on the adoption of Balance Score Card (Qadr et al., 2013), New Public Management (Jidwin & Mail, 2015), Activity Based Costing (Maelah & Ibrahim, 2007), Management Accounting (Noordin, Zainuddin, Fuad, Mail, & Sariman, 2015) and Accrual Accounting (Mahadi, Noordin, Mail, & Sariman, 2015). Similarly, research efforts were also directed towards the adoption of forensic accounting (Bierstaker et al., 2006) with

insufficient evidence to indicate specific factors that influence the adoption of forensic accounting in fraud investigation.

Previous studies on adoption of forensic accounting in fraud investigation have been limited. The majority of empirical studies were concerned with the effectiveness of forensic accounting in fraud investigation (Bierstaker et al., 2006; Pamuke, 2012) forensic accounting education (Hidayat & Al-Sadiq, 2014; Rezaee et al., 2014; Seda & Kramer, 2014) and the recommendation for its adoption in fraud investigation by various organizations (Gbegi & Adebisi, 2014; Owolabi et al., 2013). However, little efforts have being made to ascertain the influential factors for organizational decisions to adopt forensic accounting in fraud investigation (Muthusamy, 2011). In a study to understand organization's intention to use forensic accounting in fraud investigation, Muthusamy (2011) found that organizational and individual factors played a dominant role in the decision process while Bierstaker et al. (2006) argued that organizational resources seem to be influential in the decision to adopt forensic accounting. To date, no research efforts were put to investigate the factors influencing the adoption of forensic accounting by ACAs, especially in Nigeria.

Borrowing from other disciplines and considering the accounted challenges faced by ACAs, some perspectives seem apparently important in the decision to adopt forensic accounting in fraud investigation. For example, studies have revealed the influence of environmental factors on organization decision-making process (Hrebiniak & Joyce, 1985; Kimberly & Evanisko, 1981). Others have found a significant influence of organizational and individual

factors on the adoption of new ideas (Damanpour & Aravind, 2012; Damanpour & Schneider, 2009).

Additionally, studies on ACAs have acknowledged the role played by institutional factor and organizational specific elements in enhancing anti-corruption strategies (Choi, 2009; Smilov, 2010). Specifically, factors such as political will, funding, staffing, and approach to fighting corruption were used to benchmark ACAs' effectiveness in Asia and Africa (Olowu, 1999; Quah, 2009, 2010).

Therefore, the literature on the adoption of forensic accounting has been inadequate and hence the need for further studies (Muthusamy et al., 2010). Additionally, there is an indication that despite the revealed effectiveness in fraud investigation, there is reported low adoption rate by organization in fraud investigation (Bierstaker et al., 2006). Hence, identifying the influential factors on the adoption of forensic accounting remain a task before the current study and future research efforts.

2.7.3.1 Government commitment

It could be recalled from the previous sections that creation of ACAs is an indication of government commitment to minimize the level of corruption in their respective countries (Meagher, 2005). Demonstrating government commitment towards minimizing corrupt practices through the provision of adequate resources and ensuring independent of ACAs constitute political will (Brinkerhoff, 2000). Doig et al. (2007) and Quah (2010) in their different

studies, have found the influence of political will on the effectiveness of ACAs. The commitment that the government can provide includes complete autonomy of the agency in its decision-making process, adequate funding and judicial supports (Desta, 2006; Ikubaje, 2010). Therefore, the political context in which the ACA finds itself influence their ability to adapt or create new ideas (Siddiquee, 2010). The impact of political will translate into the provision of adequate funding (Brinkerhoff, 2010). In line with these views, the current study assumes that presence of political will determines the intention of EFCC to adopt advance fraud investigation tools in achieving the government anti-corruption policies.

2.7.3.2 Insufficiency of financial resources

Organizational studies have depicted the influence of financial resources on organization structure and performance, especially ACAs that rely on government funding (Doig et al., 2007; Seo, 2011). The desire to meet organizational objectives by various stakeholders put pressure on limited government financial resources. Thus, higher budgetary allocation to ACAs is assumed to positively influence the adoption of advance methodology in the achievement of government anti-corruption policy (Damanpour & Schneider, 2009). Therefore, the availability of sufficient finance to ACAs will have a positive influence on the adoption of more sophisticated measures for investigating corrupt practices (Doig & Norris, 2012). Consequently, sufficient budgetary allocation to EFCC might be a prerequisite for the adoption of forensic accounting (Doig et al., 2005). This can be assessed through annual budgetary provisions and supplementary budget for urgent needs. In analogy,

the inadequacy of funding to the EFCC might influence the decision to adopt forensic accounting in fraud investigation.

2.7.3.3 Organizational size and complexity

Previous studies have emphasized the role of organizational size as factors that affect organizational creativity, development and the use of new ideas (Damanpour, 1987; Jiménez-Jiménez & Sanz-Valle, 2011; Vaccaro, Jansen, van den Bosch, & Volberda, 2012; Wisdom, Chor, Hoagwood, & Horwitz, 2014). The argument is that larger organization tend to have better resources base, experience and slack resources (Apulu, Latham, & Moreton, 2011; Damanpour, 1987, 1991) and having a good reputation, sophisticated management and enhanced planning (Khan, Rehman, & Fatima, 2009). In their study, Kimberly and Evanisko (1981) opined that increase in organizational size would have a positive influence on the adoption of the new methodology in achieving organizational objectives.

In a study of Asian ACAs, Quah (2009) rationalized that the size of ACAs has an influence on its effectiveness in fighting corruption. The size which is measured from the employee perspective indicates that Hong Kong's ICAC seems to be effective because of the larger number of staff base as compared to the other Asian countries. In addition, the ratio of operational to administrative staff determines to some extent the degree of effectiveness of the agency (Quah, 2010). In another study, Quah (2015a) depicted the supremacy of Singapore's CPIB over other five (5) Asian countries despite having smaller organizational

size depicting that organizational size may not necessarily be the determining factor in the adoption of new techniques.

2.7.3.4 Existence of slack resources

In the preceding subsections, the importance of organization size and funding have been emphasized as essential inputs for organizational success (Damanpour, 1991; John, 2012). Specifically, the existence of slack resources gives the organization an edge in the adoption of new idea or method through the encouragement of innovative thinking (Damanpour, 1987; Qadr et al., 2013; Subramanian & Nilakanta, 1996). The slack resource has been described as the pool of organizational resources in excess of the minimum requirement for routine operations and to meet contingencies (Vanacker, Collewaert, & Zahra, 2016; Walker, 2007). Hence, the existence of slack resource will have a positive influence on the adoption of forensic accounting in fraud investigation by the EFCC.

2.7.3.5 Organizational Structure

Organizational structure determines the arrangement of ranks within the organization (Gosselin, 1997) and decision making process (Csaszar, 2012). Typologies such as centralization, formalization, and decentralization have been associated with organizational structures (Walker, 2007; Damanpour & Gopalakrishnan, 1998) each having different effects on organizational adoption of a new idea. Damanpour (1991) and Subramanian and Nilakanta (1996) observed that where decision making is concentrated at the center, the introduction of a new idea may be discouraged because there is a concentration

of power in the hands of few individuals. On the contrary, decentralization encourages flexibility, openness, and creative thinking and brings new ideas which generate new methodology into the organization (Subramanian & Nilakanta, 1996). Therefore, there is a presumed influence of organizational structure on the adoption of forensic accounting in a fraud investigation by the EFCC.

2.7.3.6 Specialization and Professionalism

Related to the organizational size and structure is specialization and professionalism on adoption of innovative ideas in enhancing organizational performance (Chor, Wisdom, Olin, Hoagwood, & Horwitz, 2015). Organizations are divided into units based on the functional requirement of the units. Specialization connotes the existence of different specialists found in a given organization (Chor et al., 2015; Damanpour, 1987). Professionalism is associated with the broader knowledge base and aid in the exchange of ideas between the various groups of the organization (Damanpour, 1987; Walker, Damanpour, & Devece, 2011). The existence of this type of organizational variables encourages the adoption of new ideas especially technical advancement (Damanpour, 1987). Professionalization connotes the existence of personnel with special skills in various functional units of an entity. The existence of staff with a high degree of specialization in an organization facilitates creativity (Subramanian & Nilakanta, 1996). Hence, the existence of professionals in the Commission, especially forensic accountants, will agitate for the creation of Forensic Accounting Unit in fraud investigation.

2.7.3.7 Leadership factors

Enhancing organization performance requires the adoption of new ideas, methods or strategy and these were found to be influenced by leadership factors (Mail, Mohamed, & Hj. Atan, 2006; Wisdom et al., 2014). Previous studies have reported the influence of leadership factors on the adoption of innovation in the public sector (Cochran, 2014; Jantz, 2013; Mail et al., 2006). Along this line, Hambrick and Mason (1984) proposed that organizational performance and strategy are assumed to be partially explained by the characteristics of the organizational leaders. In line with this view, Cochran (2014) and Jantz (2013) reported the influence of leadership factors on the adoption of new ideas. The argument has been advanced on the role of organizational leaders in organizational change and performance (Mail et al., 2006; Vaccaro et al., 2012). Leadership factors such age, tenure of office and educational background have been used to explain the influence of management on adoption process (Damanpour & Schneider, 2009; Kimberly & Evanisko, 1981; Quazi & Talukder, 2011).

The foregoing has enumerated some of the existing literature on adoption of innovation including accounting innovation. Despite this, little has been known about the factors influencing the adoption of forensic accounting in private organization, and to date, no study was conducted using ACAs, especially the EFCC to investigate the adopting forensic accounting in fraud investigation.

2.8 Conceptual Framework and the Associated Theories

In developing the conceptual framework for this study, organizational decision making process and effectiveness is presumed to be influenced by institutional dynamics, organizational contingencies and managerial background characteristics. Institutional factors such as operational standards, regulations and professional pronouncement; organizational contingencies such as size and complexity; and managerial characteristics such age, education and job tenure were previously studied on organizational adoption decisions (Bhakoo & Choi, 2013; DiMaggio & Powell, 1983; Kimberly & Evanisko, 1981). Therefore, their influences on the adoption decision making process were reported.

Improving organizational performance or change were found to be affected by institutional factors such as community wealth, competition, complexity, political affiliation, urbanization and public policies (Chor et al., 2015; Damanpour & Schneider, 2009; Kimberly & Evanisko, 1981). The environment in which organization exists plays a significant role in the organizational performance and strategic decision making process. Although organizations in profit oriented sector seek to improve performance in terms of profit, public sector organizations aim to advance the public good (Jantz, 2013), thus, aiming for legitimacy and survival (DiMaggio & Powell, 1983; Meyer & Rowan, 1977).

Government agencies including ACAs were created to provide services in fulfilling government policies and in response to international standards. The establishment of ACAs was in response to international pressures, national

requirements and electoral promises (Huther & Shah, 2000; Johannsen & Hilmer Pedersen, 2011; Meagher, 2005; Persson et al., 2013). However, there is a strong indication that the survival and proper functioning of ACAs are dependent on government commitment (Brinkerhoff, 2000) pointing towards the relevance of political will to ACA (Brinkerhoff, 2010; Doig, 1995; Ogbu, 2010). The political will provides the enabling environment for organizational development and determine the structure, staffing and the organizational performance of these ACAs.

Although institutional factors influence the performance of ACAs, organizational factors such as adequate resources have also been reported to influence organization performance and adoption decision making process (Damanpour, 1991; Kimberly & Evanisko, 1981). Complex and large organization were found to adopt new ideas, process or product innovation faster than smaller organization (Damanpour & Wischnevsky, 2006; Kapoor, Dwivedi, & Williams, 2014). Hence, the decision to adopt forensic accounting in fraud investigation is conceptualized to be influenced partially by organizational factors.

The role played by organization leaders were also reported to have influenced the adoption of innovation (Jantz, 2013; Kimberly & Evanisko, 1981) primarily due to their communication linkages, power to impose sanctions and allocation of resources. Hambrick and Mason (1984) argued that managerial background characteristics partially predict organization performance and strategic decisions. It is also argued that age, job tenure and educational background of those who hold power determine the strategic decision to adoption new

techniques by an organization (Cochran, 2014). Accordingly, Hambrick and Mason (1984) posit that complex organizational decisions are the outcome of behavioral factors. Hence, the decision to adopt forensic accounting may also be influenced by top management individual factors.

Therefore, combining these factors together has led to the extraction of the conceptual framework of this study. The study conceptualizes that institutional dynamics influences the behavior of organizational leaders who dictates the operations of the organization by setting its goals and objectives. Hence, there is a presumption that the adoption of forensic accounting in fraud investigation by the EFCC is a reflection of institutional demands and supply on the organization and the leaders. Thus, institutional requirements on individuals and organization will require the adoption of different strategies perceived by organizational leaders as effective in achieving organizational objectives.

The presentation in Figure 2.1 depicts the conceptual framework of this study. Three main factors were identified from the literature as having influences on the adoption of forensic accounting in fraud investigation so as to enhance the effectiveness of the EFCC.

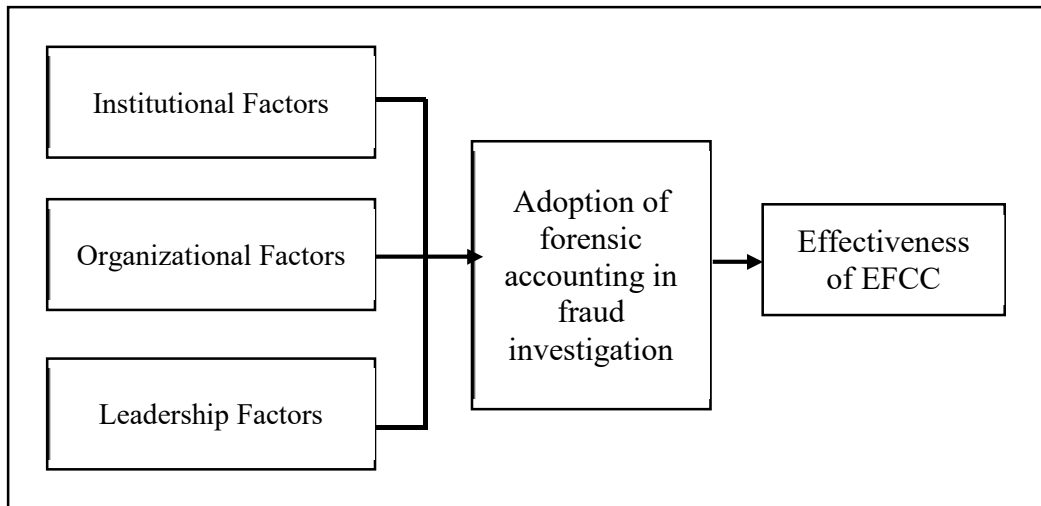


Figure 2.1
Conceptual framework

As depicted in Figure 2.1, institutional factors influence both organizational and individual factors in the organizational decision-making process. This is because organizational decision making is the function of top management (Hambrick & Mason, 1984) influenced by their background characteristics which are a function of institutional influences (Child, 1972; Meyer & Rowan, 1977; Tolbert & Zucker, 1983). In illustrating this relationship, the study assumes that institutional dynamics which organization must respond to, influence organizational decision making process made by organizational leaders (Mail et al., 2006). Thus, leadership response to a global trend in the fight against corruption will depend on the sufficiency of organizational resources and competency (Mahadi et al., 2015), government commitment (Quah, 2010) and top management background characteristics (Hambrick & Mason, 1984).

2.8.1 Contingency Theory

There is a presumed relationship between organizational performance and firm structure which is a function of organizational factors and institutional influences (Dalton et al., 1980). Volberda, van der Weerdt, Verwaal, Stienstra and Verdu (2012) posit that high-performance results from a fit between the organizational structure and its environmental factors. One of the organizational theories that explain this relationship is the Contingency Theory (Donaldson, 2006). Contingency Theory views organizations as rational entities aiming to improve performance by fitting the relationship between multiple factors (Kim, Lee, Chun, & Benbasat, 2014).

The theory argues that there is a relationship between organizational context and structure; pointing that organization that adapt their structure to changes in their context are likely to experience high performance (Morgan, Gregory, & Roach, 1997; Van de Ven, Ganco, & Hinings, 2013). In essence, contingency theory postulates that the most efficient organizational structures are those that fit the context in which the organization operates (Donaldson, 1999; Van de Ven et al., 2013). The context may include organizational contingencies or external environmental influences.

The commonly used organizational factors include organizational size, complexity, and technology (Giblin, 2004), slack resources, specialization, functional differentiation and professionalism (Damanpour, 1987; Kimberly & Evanisko, 1981; Wisdom et al., 2014). These factors were reported to strongly influence organizational decision making and performance (Chor et al., 2015).

For example, Damanpour (1987) reported the influence of professionalism, specialization, slack and functional differentiation on the adoption of library innovation. Damanpour and Schneider, (2006) and Kimberly and Evanisko (1981) also reported the significant influence of organizational factors on the adoption of innovation in public institutions. Taylor and Taylor (2014) also reported the influence of organizational factors on the implementation of performance measurement, while Kim et al. (2014) reported on knowledge management, and Giblin (2004) found the influence on policing. These were also found to be influenced by environmental factors.

Lawrence and Lorsch (1967) emphasized environmental influences as the source of organizational structure. They posit that organizational performance was dependent on the structural match between organizational form and context. They presented evidence to suggest that organizations in which the level of differentiation matched the level of stability within the environment tended to be high performing. Furthermore, organizations were less likely to be high performing when the level of differentiation was inconsistent with that required or explained by the environment. The result was clear; organizations must adapt to the contingencies they face to maximize performance.

In line with this preposition, Chor et al. (2015), Kimberly and Evanisko (1981) and Damanpour and Gopalakrishnan (1998) have reported the significant influence of environmental factors on organizational structure, decision making and performance. Environmental factors commonly used relate to competition, economic health and external integration (Damanpour & Gopalakrishnan, 1998; Giblin, 2004; Walker, 2008). Giblin (2004) reported the influence of external

funding on the adoption of crime analysis and Wisdom et al. (2014) highlighted the positive influences of environmental factors such policies and regulation, financial incentive and network on organizational structure and innovation.

In addition to environment, a second contingent factor, technology, has been the subject of a considerable body of research (Giblin, 2004). The technology was operationalized as how an organization accomplishes its work through not only the hardware used in performing work but also the skills and knowledge of workers, and even the characteristics of the objects on which work is performed (Scott, 1998). The most successful firms were those that fit structures to technology (Woodward, 1965). This reflects training and professionalism (Wisdom et al., 2014) and the use of modern technology in accomplishing the organizational task (Giblin, 2004).

The contingencies of the environment, technology, and size are well-researched and have withstood empirical scrutiny. Although, researchers have examined a seemingly endless number of other contingent factors, environment, technology, and size are the most oft-studied (Hameed, Counsell, & Swift, 2012a). The review of the influence of environment, technology, and size is designed to provide a broad overview of the contingency perspective. Contingency theory, therefore, represents a very rationalistic explanation of organizational characteristics where organizational change is purposive (Donaldson, 1999).

Contingency theory has also been applied in different discipline including management accounting (Otley, 2016), performance management (Taylor &

Taylor, 2014), knowledge management (Kim et al., 2014), IT adoption (Kamal, 2013; Wiengarten, Humphreys, Cao, & Mchugh, 2013) and the adoption of crime analysis by law enforcement agencies (Giblin, 2004). However, to date, there seems to be little efforts to use contingency theory in the explanation of organizational adoption of forensic accounting.

2.8.2 Institutional Theory

In today's dynamic environment, organizations in both private and public sector need to respond continuously to changing demands posed by the context. However, the ways in which organization responds to these changes is more often dependent on the socio-political, economic and technological influences created by the environment in which they exist (DiMaggio & Powell, 1983; Zucker, 1987). In explaining these environmental influences, Institutional Theory (IT) has been employed to study the impact of these forces on organizational behavior (Tolbert & Zucker, 1983; Volberda et al., 2012; Zucker, 1987).

The applicability of institutional theory in this context is on an understanding of the impact of external influences on EFCC's structure and performance. The context is characterized by elaboration of rules requiring organizations to adopt existing structure for legitimacy and acceptance (Martínez-Ferrero & García-Sánchez, 2016), influenced by normative pressures arising from external sources or within the organization itself (Zucker, 1987) and to survive, the organization is expected to imitate elements of successful organizations (Meyer & Rowan, 1977; Weerakkody, Dwivedi, & Irani, 2009). Therefore, the process

of organizational structuration consists of complying to rules and norms imposed by external forces; acting in a professionally correct manner; and resembling modelled organizations (DiMaggio & Powell, 1983; Martínez-Ferrero & García-Sánchez, 2016).

In this regards, the creation of ACAs in most developing countries was due to calls by donor agencies and international organizations (De-Maria, 2008; De Sousa, 2010; Doig et al., 2005). This was also the case in Nigeria, in the creation of the EFCC following the country's classification as a non-compliant country in the fight against money laundering and terrorism financing (Shehu, 2015). In line with this, Meagher (2005) argued that most country's response to corruption outbreak has been the establishment of ACAs modelled on ICAC structure.

Heilbrunn (2004) and Quah (2010) enumerated four (4) models of ACAs to include a universal, an investigative, a parliamentary or a multi-agency model. The Hong Kong ICAC is described as a universal model because of its investigative, preventive, and communicative functions (Quah, 2010). This is also reflected in its organizational structure with the operation, crime prevention and community education departments (Quah, 1995, 2010, 2015a). In order to succeed, ACAs imitate the structure of these successful ACAs majorly found in Singapore and Hong Kong (Olowu, 1999; Persson et al., 2010). Therefore, as argued by the institutional theorists, organizations adopt the structures of the successful organization as the best form of organizational structure (DiMaggio & Powell, 1983; Meyer & Rowan, 1977).

A third factor on organizational isomorphism is normative pressure derived from professionalization (Bhakoo & Choi, 2013; DiMaggio & Powell, 1983). Accordingly, ACAs including the EFCC is assumed to respond to mandatory best practice that stems basically from professionalization. When confronted with normative pressures, ACAs behave in a manner that is perceived as legitimate by their peers within their professional network (Bhakoo & Choi, 2013). New ideas are diffused among agencies through external communication and networking as well as sharing of common ideas through training, the hiring of individual within the same industry, using similar technology or adopting socially accepted practices (Bhakoo & Choi, 2013).

Along these lines, Martínez-Ferrero and García-Sánchez (2016) posit that organizational performance, structure and decision making is the interplay between compliance to the rules and norms imposed by external forces, acting in a professionally correct manner and mimicking model of successful organizations. This explains the three institutional isomorphism (coercive, normative and mimetic) advanced by (DiMaggio & Powell, 1983).

The EFCC as an agency of government was created in response to external pressure from donor and international agencies and government policy (Ogbu, 2010; Oke, 2014; Shehu, 2005), its structure is built on investigative, preventive, and communicative functions modelled on ICAC approach (Ayodele, 2014; Meagher, 2005; Shehu, 2015) and its approach to fraud investigation and prosecution is influenced by the professional background of its employee, external integration and professional networking.

Over the years, institutional theory has also been used to study the certification of Halal food (Talib, Sawari, Abdul Hamid, & Chin, 2016), innovation adoption (Daddi, Testa, Frey, & Iraldo, 2016), assurance sustainability (Martínez-Ferrero & García-Sánchez, 2016), e-government adoption (Zheng, Chen, Huang, & Zhang, 2013) and adoption of crime analysis by law enforcement agencies (Giblin, 2004).

2.8.3 Integrating Institutional and Contingency Theories

Previous studies have suggested the integration of contingency and institutional theories in explaining organizational structure (Carroll, 1993; Child, Chung, & Davies, 2003; Gupta, Dirsmith, & Fogarty, 1994). Although contingency and institutional theories use a different approach, the core principle that explains effectiveness is synergy derived from the sum of interconnected elements (Volberda et al., 2012). The synergy in contingency theory refers to the interconnection between the organization and environmental specific demand. On the other hand, the synergy in institutional theory refers to the interconnection between the organization and uniform institutional demands (Volberda et al., 2012). The study by Volberda et al. (2012) shows that contingency and institutional theories provide complementary explanations for organizational structure and effectiveness. Contingency theory postulates that the best organizational structure and management style depend on a set of “contingency” factors; whereas institutional theory examines the influence of the institutional context on organizational behavior (Tolbert & Zucker, 1983; Volberda et al., 2012).

Thus, external influences such funding, external integration and communication (in contingency theory) represent coercive factors (such as regulatory requirements, international pressures) and normative factors (such as professional standard, accreditation agencies) in institutional theory. Organizational factors such professionalism, functional differentiation and technology in contingency theory may assume mimetic pressure to adopt the structure of other organization who are perceived as progressive and successful (Volberda et al., 2012). Thus considering the possible integration of the theories and suggestion by previous studies, this study combines the two to explain the interconnection between the organization (EFCC) and environmental specific demand of fraud investigation and the uniform institutional demand (Drazin & Van De Ven, 1985; Volberda et al., 2012; Wilden, Gudergan, Nielsen, & Lings, 2013). The integration of the elements of institutional and contingency theory is depicted in Figure 2.2. There is a flow of influence from environmental factors (coercive, normative and mimetic) to organizational contingencies (size, professionalism, differentiation, specialization and technology) in enhancing organizational performance and legitimacy (DiMaggio & Powell, 1983; Donaldson, 2006; Tolbert & Zucker, 1983).

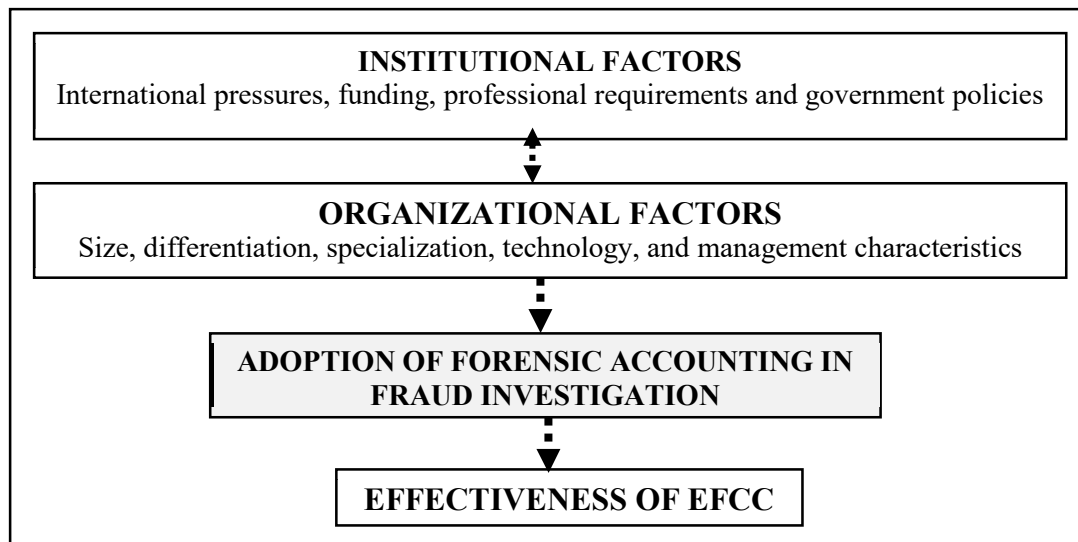


Figure 2.2
Integrating institutional and contingency theories

The presentation in Figure 2.2 integrates the elements of institutional influences via institutional fit and organizational factors through the lens of contingency theory to investigate the structure, strategy and effectiveness of the EFCC by the adopting forensic accounting in fraud investigation. In analogy, international pressures, donor requirements, funding and government policies pose as impact on the creation, maintenance and the performance of the EFCC. These institutional factors tend to influence organization strategy to fit structure in response to external influence for performance enhancement.

2.9 Summary of the Chapter

This chapter has reviewed the literature on fraud, occupational fraud and abuses with emphasis on public sector corruption. The general approach to tackling fraudulent practices are fraud prevention, detection and investigation. These procedures are expected to be adopted by ACAs in their anti-corruption

activities. In enhancing their effectiveness, ACAs are presumed to have sufficient, professionally qualified staff with adequate skills in accounting, auditing, investigation and litigation process.

Subsequently, recommendations have been made for the adoption of forensic accounting in fraud investigation using forensic accounting experts and the creation of forensic accounting unit in the structure of the EFCC. Organizational structuration has been explained by two theories. Specifically, institutional and contingency theories. The two theories postulate that organizational performance is influenced by the interconnection between the organization and the environmental elements. Thus, the adoption of forensic accounting in fraud investigation may be treated as isomorphic processes that lead to the adoption of conformance-enhancing template or rationality for effectiveness. Size, technology and environment are the relevant conditional factors determining the efficient organizational structure. Thus, suggesting that contingency prescriptions and conformity to institutional pressures could explain the performance of ACAs. Thus, adopted for this study.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

In the preceding chapters, the fighting against fraud was presented as involving prevention, detection and investigation of fraudulent practices including public sector corruption. The failure of fraud prevention and the difficulties of fraud detection makes fraud investigation the available option to fight fraud. Similarly, government response to systemic corruption has been the creation of Anti-Corruption Agencies (ACAs), but the previous literature has reported their ineffectiveness due to the presumed combined influences of institutional and organizational factors. Specifically, deficiency in fraud investigation expertise that requires accounting, auditing and investigating skills. Forensic accounting as an accounting profession, combines these skills which are used in fraud investigation. Previously, the adoption of forensic accounting in fraud investigation was recommended to the Economic and Financial Crimes Commission (EFCC) as an ACA in Nigeria.

This chapter focuses on the methodological approach used to investigate the influential factors on the adoption of forensic accounting in fraud investigation by the EFCC. In so doing, a qualitative approach to inquiry is adopted assuming multiple views of reality (ontology), gained through face-to-face interaction with appropriate interview participants, non-participative observations and documentary sources (epistemology). The researcher played the role of the instrument of data collection and analysis, and hence, reports the findings

inclusive of the voices of the participants (axiology). This formed the philosophical assumptions of this study and guided this research through inductive logic by studying the influential factors on the adoption of forensic accounting in fraud investigation by the EFCC in arriving at the qualitative results (methodology) in the succeeding chapters.

3.2 Philosophical Assumptions

Creswell (2013) presented four major assumptions guiding a qualitative inquiry. They are ontological, epistemological, axiological and methodological assumptions. The ontological assumption is the assumption about the nature of reality and its distinctive characteristics (Creswell, 2013). This study assumes that the reality is multiple seen from many views. Thus, the factors influencing the adoption of forensic accounting in fraud investigation is assumed to be multiple. This must be understood from multiple perspectives given by research participants, learned from observations made and by what is obtained from documentary evidence (Denzin & Lincoln, 2011; Kasim & Mail, 2013).

The epistemological belief of this study is that knowledge is gained by collecting appropriate participants' views, and perceptions on the phenomena. In so doing, this study relies on quotes from participants' transcript, institutional documents and non-participatory observations to identify the influential factors on the adoption of forensic accounting in fraud investigation by the EFCC. In order words, the adoption of forensic accounting can only be understood in its context through the subjective interpretation of organizational members (Kasim & Mail, 2013). Apparently, using post-positivist interpretive framework

(Creswell, 2013), the opinions and views of selected research participants regarding the influential factors on the adoption of forensic accounting are better understood through qualitative inquiry. Subsequently, understanding the experiences of organizational members on the adoption decision is the focus of this study. In order to gain knowledge on issue understudy, Creswell (2013), Kasim and Mail (2013), Denzin and Lincoln (2011) and Rose (2011) posit that there is a need to get closer to the informants which provide the opportunities to gather in-depth, subjective and diverse views.

With regards to this, the current study is based on face-to-face interviews in a natural setting where broad, semi-structured questions were asked directly, and the responses were recorded digitally and qualitatively analyzed to make sense of what was captured during the interviews. This was made possible by asking participants their understanding of the current state of the EFCC and its efforts in adopting forensic accounting in fraud investigation. In so doing, a richer and in-depth understanding of the situation of the EFCC and the explanations for the adoption of forensic accounting emerged by quoting their views (Creswell, 2013).

One important feature of this study is the role played by the researcher. The researcher was the instrument of data collection and analysis (Creswell, 2013; Morse, 2015). As a tool for the data gathering and analysis, the researcher interacted with the participants to understand the meanings attributed to certain issues (Creswell, 2013). Thus, reporting the views of the participants may contain their personal values and that of the researcher which are part of the qualitative way of inquiry, and this formed the axiological assumption of this

study. This is complemented by the methodological assumptions of the study which is the research process.

In guiding this study as a whole, a qualitative approach was adopted (Creswell, 2013; Denzin & Lincoln, 2000). Hence, the procedures or method used in this approach include gathering participants' views, perceptions, and understanding of the issues under-study. The aim is to gain insight into the subjective nature of reality. In achieving this, Creswell (2013) and Merriam (1988) believe that qualitative inquiry offers a flexible methodology in the process of gathering knowledge.

The adoption of this method was called by the distinctiveness of the issue under consideration and the nature of the participants (Merriam, 1988; Rose, 2011; Yin, 2011). The sensitivity of the issue of corruption and the nature of the research participants require a qualitative approach (Denzin & Lincoln, 2011).

A summary of the assumptions guiding the current investigation into factors influencing the adoption of forensic accounting in fraud investigation is presented in Table 3.1. The content of Table 3.1 described the interpretive framework and the philosophical assumptions guiding this study. It adopts post-positivist approach by taking a reductionist, logical, empirical, cause-effect orientation based on prior theories (Creswell, 2013). This approach is taken because of its logically related steps, believing in multiple perspectives gained from participants and rigorous methods of data collection and analysis. In the process of gaining knowledge, individuals' values are implied in the reports. This is made possible through an inductive approach where multiple sources of

data are used and interpreted through textual analysis (Creswell, 2013). Thus, this study took this stance of viewing the reality through multiple sources and using multiple methods to arrive at a conclusion.

Table 3.1
Philosophical assumptions guiding this study

Ontological	Epistemological	Axiological	Methodological
Reality is multiple seen through many views	Subjective evidence from participants through interviews and observations	Individual values of the participants and the researcher are acknowledged and negotiated.	To gain knowledge, an inductive approach through multiple sources of data and textual analysis are used and reported using a qualitative approach.

Source: Adapted from Creswell (2013 p 21)

3.3 Qualitative Case Study.

There are several methods of qualitative inquiry (Creswell, 2013). One of these approaches to qualitative study is a case study (Hyett, Kenny, & Dickson-Swift, 2014). Case study research is an empirical investigation of a contemporary phenomenon within its real-life context (Yin, 2011). It involves the investigation or exploration of a bounded, single or collective case, over time through detailed, in-depth data collection from multiple sources. The aim is to capture the complexity of the object of study (Boblin, Ireland, Kirkpatrick, &

Robertson, 2013; Creswell, 2013; Hyett et al., 2014). Case study research has become popular unlike other qualitative approaches because it is flexibility (Baškarada, 2014; Boblin et al., 2013; Hyett et al., 2014; Yazan, 2015).

The choice of the case study approach is guided by an interest in individual cases, research questions, paradigm and study design (Boblin et al., 2013; Flyvbjerg, 2016; Hyett et al., 2014). This study adopted a single holistic study design for an in-depth analysis (Boblin et al., 2013; Yazan, 2015). Yazan, (2015) argued that there are three major foundational methodologists (Merriam, 1988; Stake, 1995; Yin, 2011) in the area of qualitative case study research and Hyett et al. (2014) classified them based on their paradigm and epistemological stands. The first being guided by the post-positivist view and the second is situated in the constructivist paradigm (Boblin et al., 2013; Hyett et al., 2014; Yazan, 2015).

Under the post-positivist paradigm, the aim is to get the single truth through valuing process, control, predictability and rationality guided by reductionist, logical, cause-effect orientation based on previous theories (Boblin et al., 2013). This approach involves the development of case study protocol keeping in mind issues of validity and bias and ensuring that all element are identified and adequately described (Hyett et al., 2014). Accordingly, Yin (2011) advocated the use of established propositions alongside formal conceptual framework in the design of qualitative case study. On the other hand, a constructivist paradigm posits that truth is about perspective derived from interpretation of context related interaction (Boblin et al., 2013).

Given the requirements of this study, a post-positivist paradigm is adopted. The choice was guided by the belief that there are multiple views about reality reported from different perspectives. In addition, the study aims to have a holistic view of the issue. Furthermore, being the instrument of data collection and analysis, the researcher acknowledges that research is value-laden and therefore, biases are present (Boblin et al., 2013; Creswell, 2013). Finally, the choice of this approach was guided by the research questions which aim to understand the perceptions of research participants on the adoption of forensic accounting in fraud investigation. General theories and conceptual framework have been used after careful refinement and modifications.

A qualitative case study is considered appropriate for this study because it allows for the collection of data from multiple sources (Creswell, 2013; Yin, 2011) thus, providing ground for triangulation of data and sources (Barbour, 2001; Gioia, Corley, & Hamilton, 2013).

3.4 Selection of Research Participants

Participants (community, organizations or employees) are units of analysis for qualitative research (Creswell, 2013; Yin, 2011). Along this line, Economic and Financial Crimes Commission (EFCC) was purposively chosen as a case because it is the sole authority entrusted with the power and functions in investigation of economic and financial crimes, and research participants were selected based on their appropriateness to this study (Creswell, 2011, 2013; Marshall, 1996). Under this approach, Marshall (1996) posits that most

productive participants are those purposively selected to answer the research questions.

In their views, Creswell (2011), Morse (2010) and Merriam (1988) observed that purposive sampling is commonly used to serve the need to explore, understand and gain insight into critical issues. In line with this, studying the structure, strategy and performance of the EFCC and the decision-making process on the adoption of forensic accounting in fraud investigation is a sensitive and critical issue requiring the selection of participants who have the knowledge of the phenomenon. The aim is to gather as much information as possible so as to reach informational redundancy and maximize the variation in the perceptions of the concepts among participants (Creswell, 2011; Rose, 2011). Besides what was planned, selection criteria also evolved during the study by revisiting the data and participants to explore new perspectives. Therefore, participants for this study were selected based on their area of responsibility and departments in the EFCC.

The EFCC is structured into operations, legal and prosecution, public affairs, planning, research and statistics and the academy. The operation is the hub for the investigation of economic and financial crimes, the legal and prosecution unit institutes legal actions and prosecutes individuals accused of violating the laws while the public affairs directorate is the interface between the Commission and the public. The EFCC academy is the training institute for the Commission's operatives. Also, there are six zonal offices headed by directors of operations.

Initially, five (5) directors, based on the structure of the EFCC, were earmarked for interviews to capture their views to answer the research questions raised in chapter one. But in the course of the study, other participants were included to reach information redundancy and to gather diverse views on the issue. The criteria used for the selection included methodologists suggestion (Creswell, 2013), presumed role in decision making and investigation process and information redundancy factors (Mason, 2010). In all, twelve (12) participants were interviewed, after observation the basic criteria set above (Marshall, Cardon, Poddar, & Fontenot, 2013) and reaching saturation point (Marshall et al., 2013; Mason, 2010). In fact, major categories were identified after the fourth (4th) interview session was conducted and information redundancy set in after the sixth (6th) interview. The categories of the participants are listed in Table 3.2.

Table 3.2
Selected research participants

S/No	Participants	No of participants
1.	Directors	6
2.	Head of departments	4
3	Forensic accountants	2
Total		12

The content of Table 3.2 represents the selected research participants that were interviewed. Six (6) out of the eleven (11) directors of the Commission were individually interviewed which cuts across the operations, administration, finance, zonal office, legal and prosecution and the media directorates. Four (4) heads of the department were also purposively selected for the study. The choice of these departments was necessitated by the roles they play in fraud investigation and the glaring statistics emanating from the EFCC's annual reports. In addition to the need to accommodate middle-level management who have direct interactions with the investigation process. Furthermore, two (2) forensic accountants in the EFCC were individually interviewed. These were done purposely to have, as much as possible, different views on the process of the adoption of forensic accounting in fraud investigation by the EFCC. Evidently, the two (2) interviewed provided rich information which would have been omitted otherwise.

It was apparently convincing that a fair representation was achieved using this approach. The three (3) groups selected reflected the hierarchical arrangement of the EFCC. The directors occupy the top leadership seats, the heads of department and the operatives follow the directors sequentially in the hierarchy. This approach gave the needed views of different groups. The aim was to observe divergence and convergence facts to strengthen and ensure the credibility of the research findings. It was apparent in certain circumstances that the views converge, though with slight divergence, in particular, between the directors and operatives at the extreme of the hierarchical ladder.

However, efforts made to interview the current, and former chairmen of the EFCC were unfruitful. This was not successful after several attempts were made between August and November 2015 which is the period of data collection. These efforts included attempts made through formal and informal communications. On several occasions, promises were made but never fulfilled due to the bureaucratic nature of public sector organization as well as the nature of these prominent individuals. It was also apparent that at the time of the data collection period, cases of alleged financial misappropriation were petitioned against the Commission's executive chairman. This posed to be an obstacle to having access to many participants at the initial stage of the data collection. To overcome these challenges, the researcher resorted to seeking the supports of friends who have contacts within the EFCC. This assisted a lot in achieving the number of the participants in this study. Notwithstanding, the aim of the study was achieved because the research questions were appropriately answered.

3.5 Procedures for Data Collection

There are various procedures for data collections in conducting research. Surveys methods, questionnaires administration, face-to-face and focus group interviews and observation are examples of methods used to gather information on a given phenomenon (Creswell, 2011, 2013; Marshall, 1996; Mason, 2010; Merriam, 1988). However, given the nature of the study, the distinctiveness of research participants and the data requirements, qualitative researchers use interviews, observation and document analysis (Creswell, 2011; Denzin & Lincoln, 2011; Yin, 2011). This is informed by the need to explore new concept,

idea or to gain an understanding of the concept that requires further exploration (Creswell, 2013; Denzin & Lincoln, 2011).

In this study, three most commonly used data collection methods in qualitative research were adopted (Creswell, 2011; Merriam, 1988; Yin, 2011). The study conducted face-to-face interviews with the selected participants, sought and obtained documentary evidence and made observations on the unit of analysis. The combination of these perspectives enhances the validity, rigor and credibility of the study (Creswell, 2011; Gioia, Corley, & Hamilton, 2012; Morse, Barrett, Mayan, Olson, & Spiers, 2002; Rose, 2011; Yin, 2011).

3.5.1 Secondary Data Obtained

Qualitative research is the analysis of text from field work, transcript of interviews and documentary sources (Jack, Norman, & Helen, 2012). Documentary evidence played vital roles in this qualitative study. Thus, this study used newspaper reports, institutional documents, committee reports, journal articles and research findings in a systematic manner.

Two phases of documentary data collections were carried out. The first stage, familiarization stage (Mail, Atan, & Mohamed, 2009) started with a literature search using the internet. An extensive search was undertaken using Google Scholar and the Universiti Utara Malaysia Library database. Efforts were directed towards understanding the concept of corruption, anti-corruption, and organizational effectiveness. This led to the understanding of the adverse effects of corrupt practices and how countries deter corruption by establishing ACAs.

It was found, from previous studies, that most of these organizations are perceived as ineffective in minimizing corruption especially in Africa and, therefore, called for the adoption of more advanced fraud investigation techniques (Dada, 2014; Enofe et al., 2013; Koh, Arokiasamy, Lee, & Suat, 2009).

In support of the academic finding on the ineffectiveness of ACAs in Africa, institutional records of the EFCC were used, forming the second stage of data collection, the enrichment stage (Mail et al., 2009). Attempts were made to get staff statistics and budget estimates, through the Directorate of Planning Research and Statistics (DPRS), and other documentary evidence deemed necessary to enrich the findings of this study. However, these were met with obstacles, especially given the nature of the agency, the current state of the EFCC, and the nature of the cases being investigated. Despite this, multiple attempts were made to get the EFCC Annual Reports, Annual Budgets and Five-Year Strategic Plan of the Commission, which proved to be useful to the current study.

The Annual Reports of the Commission provided useful data for further analysis and interpretation. For instance, statistics of petitions, prosecutions, and convictions were made available in the Annual Reports. It further contains statistics of staff and the activities of the Commission. However, only the Annual Reports of 2012 and 2013 were made available, upon request, for public consumption. Further inquiry revealed that they were the only produced annual reports of the Commission to date.

In addition, two (2) other documents were sourced from the internet. The annual budget of the Commission was searched and downloaded from the Nigerian Budget Office website (accessed on 8th, September 2015), and a list of convictions was also sourced from the EFCC's website (accessed on 20th, October 2015), both proved to be essential and handy for the current study.

The contents of Table 3.3 displayed the secondary data obtained from the EFCC and the Nigerian Budget Office. These documents provided information on budgetary allocation to the EFCC and the trend of the government allocation to the EFCC was observed. Similarly, the content of the annual reports confirmed the views expressed by the research participants on the current state of the EFCC and, in addition, a five-year strategic plan of the EFCC reveals how the Commission intends to achieve its mandate over the period of five years.

Table 3.3
List of Documents requested and analyzed

No	Document	Purpose
1.	EFCC Annual budget	Ascertain sufficiency of funding
2.	EFCC Annual reports	Ascertain operational activities of EFCC
3.	EFCC Statement of Strategy	Provided five-year strategy for the EFCC

3.5.2 Memos and Field Notes

In addition to public documents obtained and analyzed, this study explored the use of memos and field notes (Huberman & Miles, 1994). The use of field notes provided a record of non-verbal communications, the case study settings and a journal entry of the research process. This guided the study at the time of data collection, analysis, and interpretation. For example, the use of a start list of codes (Miles & Huberman, 1994) has assisted in generating codes and reaching saturation point. The aim was to have a clearer picture of the events as they unfold.

3.5.3 Interview with Research Participants.

Interview is a common medium for gathering qualitative data (Mason, 2010). The choice of the interview, as observed by Creswell (2011), offers the best opportunity to capture fundamental ideas, perception and behavior of participants. On the part of the researcher, it gives the opportunity to ask broad and specific questions in the course of the data collection. By posing a broad question, the researcher got general information from the participants on the concept. On the other hand, probing the participants with specific issues gave the researcher a clearer understanding of the phenomenon. This offered the researcher control over the type of information received by probing specific questions based on participants' response (Creswell, 2011). Interview is argued as one of the most useful methods used where in-depth information about a phenomenon is needed from participants (Yin, 2011).

With regards to this, the current study interviewed twelve (12) participants from the operations (including a zonal office); legal and prosecutions; media and public affairs and administration directorates. The research participants were selected based on the assumption that they possessed the relevant knowledge of the phenomenon under study. One of the criteria used was the position held by the participant in the EFCC. Major emphasis was targeted at directors of directorates, heads of departments and specialized investigators of the EFCC. Subsequently, face-to-face interviews were conducted in the participant's offices during working hours. This is presented in Table 3.4 depicting the directorates, departments, and the total number of interviews conducted.

Table 3.4
Categories and number of participants interviewed

Directorate	Director(s)	Head of Dept.	Operatives	Total
Operation	2	3	2	7
Legal and prosecution	1	-	-	1
Media and public affairs	1	-	-	1
Administration	2	1	-	3
Total	6	4	2	12

In Table 3.4, six (6) directors were interviewed from four (4) directorates of the EFCC, which comprises of operation, legal and prosecution, media, and public

affairs and the administration directorate. This has covered more than 50% of the directors in the EFCC. In addition, four (4) heads of department were individually interviewed from operations and administrative directorates, and two (2) operatives (forensic accountants) were equally interviewed from the operation directorates.

During the interviews, an audio recording of the responses was performed using IC recorder (Bryman, 2012; Creswell, 2013). The aim was to have a smooth interview session at the same time and to have a permanent electronic record of the interviews for the next stage of the research process. This makes it easier for transcription and presentation of qualitative results. In doing so, attempts were made to convince participants on the need to record the conversations. Although there were initial hitches, assurances made by the researcher about the confidentiality of the information and non-identification of the individual participant, the researcher was able to persuade the participants of the need for the conversation to be recorded so as to aid transcription of the interview and allow for uninterrupted conversations. All the participants agreed to the request except one (1) research participant. In his case, notes were taken on the main points raised with regards to the research questions.

3.5.4 Observing the Interview Protocols

Gaining access and obtaining permission to conduct research on sensitive issues, such as organizational decision and corruption, requires some ethical considerations. Heath, Charles, Crow, and Wiles (2007) and Creswell (2013) posit that gaining informed consent from research participants is regarded as a

central ethical issue in research practice which enables easy collection of data and promotes rapport with research participants.

In line with this, the procedures adopted by the current research included the development of interview guide (see Appendix B), obtaining a formal letter from the Universiti Utara Malaysia and the Yobe State University Nigeria for the purpose of data collection (see Appendix C). The interview guide, information about the study and informed consent forms (see Appendix B) were drafted and personally submitted to the office of the Executive Chairman of the EFCC in August 2015. Apart from the formal procedures above, contacts were made with a friend who assisted immensely in securing the permission to conduct the research.

However, the smooth conduct of the interview was halted when the office of the Executive Chairman directed the letter to the office of the Director Planning Research and Statistics. The researcher was informed that conducting interviews with management staff was not possible. After several attempts to convince the Director over a period of weeks, they agreed to direct the researcher to the Director Media and Public Affairs and provided three documents (2012 and 2013 Annual Reports and Statement of Strategy 2013-2018).

After weeks of continued efforts, another letter was written for the same purpose. However, this time around, the researcher used the 'back door' approach through a friend who linked the researcher with the Personal Assistant

to the Executive Chairman, who after personal plea and explanations agreed to see the Chairman to give further directives, which of course helped immensely.

Further to the directive, the researcher sought the help of another female friend in the EFCC who assisted the researcher to go around these offices and introduce the author to the respective research participants to schedule an interview with them. This time, it was relatively successful because the researcher was able to conduct interviews smoothly between September and November 2015.

It is also worthy of note here that the interview guide (Appendix B) were modified to reflect the topic. Therefore, questions four (4) and five (5) were amended to reflect “adoption” and “fraud investigation” instead of “use of forensic experts” and “fraud detection” to go in line with the aim of the study. Adopting qualitative case study provided this avenue for flexibility in selection of participants and the modification of interview guides. It was also apparent that questions asked during the interview do not follow a sequential order as shown in Appendix B. In fact, the probing questions asked were based on emerging information provided by participants and the need for clarifications.

It was a mixed experience of joy and disappointments. The successful part of it was that reasonable numbers of participants were interviewed and had satisfactorily answered the research questions. In fact, it was higher than the earlier proposed five (5) research participants to be interviewed. Likewise, the disappointments were mainly due to the inability of the researcher to interview the Executive Chairman of the Commission. After pleading for weeks and going

there on a daily basis, the researcher was informed that it was the policy of the EFCC not to grant such interview to researchers. In addition, as earlier mentioned, there was corruption allegation levelled against the EFCC at the time of the data collection. Similarly, the chairman was relieved of his post in November some months before the end of his four-year tenure. Nevertheless, it was an experience worthy of record, treasured to be part of lifetime achievements.

3.5.5 Observations Conducted

One of the tools used in this qualitative study is paying attention to non-verbal communications and the setting of the research site. The research site is located in the heart of the Federal Capital Territory, Abuja, and the seat of Federal Government of Nigeria. The entrance and exits to the Commission were manned by heavy security personnel including Armored Personnel Carrier (APC), dogs and men of the security forces. It is a sight better imagined than visited.

On the first day of the visit, the researcher was interrogated, searched and was asked to switch off all electronic devices including mobile phones and hand them over to the security office. The mere looking at the heavy security at the gate scared the researcher. However, this was eased by the first informant who happened to be friendly and an understanding person. It was with his help that the documents (see appendix B and C) seeking permission to conduct the research were delivered to the office of the Executive Chairman.

However, with repeated visits, the researcher was in better terms with the security personnel and got most necessary supports. Despite this assimilation, it was dire hard to have interviews with the target participants. Even when it was granted, the researcher discovered the uneasiness in them to discuss the issues freely. One area which they hardly discuss, in the initial stage, is the challenge of the Commission. It was observed that they were readier to give evidence of achievements and along the line, they chip-in the challenges of the Commission.

It was noted that majority of the participants were either Police officers, trained by the Police or working under Police directives. It was, therefore, difficult to get information. However, using the techniques employed in the interviews, the researcher made the conversations personal and secretive (not to be disclosed). This gave the researcher the opportunity to get a good rapport with most of the participants. In an instance, a participant was asked to enumerate the challenges of the EFCC and answered by saying '*we do not have a problem*' but using interview techniques, he indirectly listed the problems.

One notable instance was the interview with a top officer of the EFCC who is considered strategic in the management. It took weeks for the participant to agree to be interviewed. However, it was a memorable one. The researcher entered the office with anxiety and came out with joy. The participant said, "*I am happy to see you, young and courageous researcher*" These words eased the author's tensions. After asking some personal questions about the researcher, the participant agreed to be interviewed. It was the longest interview session. However, the participant's personal assistants were quite unhappy because of the time taken for the interview while other office work was held

down. The experience in the EFCC was so rich that almost every bit of it was remarkable.

Above all, the researcher was able to observe and noted the inadequacy of personnel, office accommodation and the nature of the work conducted by the EFCC. The researcher witnessed the interrogation of a suspect, seen ex-governors waiting to be interrogated and the number of prominent individuals coming in and taken to courts. It is such a demanding job with the fewer workforce.

3.5.6 The Role of the Researcher

Following the narration above, it is apparent that the researcher became part of every bit of this research process. The role played by the researcher in this study is that of the instrument of data collection and analysis. As the instrument of data collection, the researcher was influenced by the situations. The flexibility offered by qualitative case study allows the research to modify strategies adopted in data collection and analysis. In other words, it was adaptive to emerging situations and at times reacted to views expressed by the participants. For example, the conceptual framework, research questions and objectives were modified during and after the data collection period. was modified while the interview protocol was modified during the data collection period. Additionally, serving as the instrument of data analysis, the researcher was concerned more with those statements that relate to the research questions and objectives. These were not without personal values of the researcher and that of the participants and are reflected in the research process. These were only

possible through the direct involvement of research as the instrument of data collection and analysis.

3.6 Procedure for Data Analysis

Qualitative data analysis is the interplay between the data and the researcher. The aim is to discover links between perceptions and meaning and reporting same to the wider world (Bradley, Curry, & Devers, 2007). In another word, Creswell (2011) posits that qualitative data analysis requires the understanding of how to make sense out of textual data. Thus, this study is based on qualitative analysis of documentary evidence, field notes and interviews transcripts. The study followed a sequential and cyclical approach to the analysis of the data collected (Creswell, 2007). Accordingly, Miles and Huberman, (1994) posit that data analysis consists of a sequence of data reduction, display, and conclusion.

3.6.1 Components of Data Analysis

Data condensation or reduction was done through selecting, focusing, abstracting, simplifying and transforming the data from field notes, documents, interview transcripts, and other empirical materials (Miles, Huberman, & Saldana, 2014). The process involved summarizing major points after each interview session, going through institutional documents (annual reports, budgets) and making notes. The process helped in sharpening, sorting, focusing and organizing the data in a way that conclusion can be drawn or verified. In so doing, initial codes were created, and themes were developed for possible display.

The selected data were further analyzed using matrices and networks (Miles et al., 2014) so as to assemble the classified information into an accessible, compact form to draw a logical conclusion.

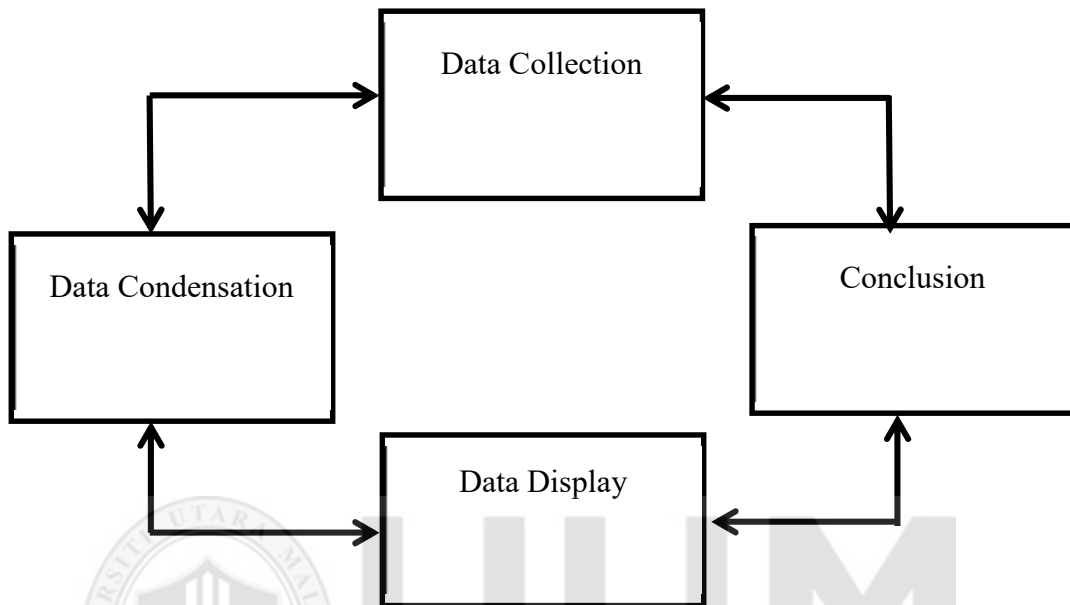


Figure 3.1
Component of data analysis
Source: Miles et al. (2014)

As can be seen in Figure 3.1, the analysis started with making an initial code list based on previous studies. The first data analyzed was the annual report of the EFCC. The content of the reports highlighted on the operational activities of the EFCC, the statistics of staff and recoveries made. The study discovered that majority of the staff are seconded police officers. The first two interviews were in line with the annual reports and further depicted the challenges of the EFCC. Basically, they were around inadequacy of manpower and funding with a serious issue in the legal context. Subsequent interviews depicted other

problems such as absence of political will, the dominance of police and inadequacy of forensic experts.

3.6.2 Data Management

The next step undertaken in the data analysis was to organize the data (Creswell, 2013; Merriam, 1988). This was necessary regarding the volume of data collected. With the aid of electronic software, the data for this study was organized into two broad groups. Groups were created for secondary evidence (empirical materials, thesis, books, reports and other institutional documents) and interview data (audio files, transcripts).

Specifically, Mendeley reference software (Emanuel, 2013) and N-Vivo 10 computer aided qualitative analysis software (Richards, 1999) were used for the purpose of storage, management and analysis. This has helped in identifying source, publication date, and type of document. It has also been used for literature review and referencing purposes. The aim is to have access to the data on the go and help in reporting the findings of this study by linking past studies with the current research. Also, institutional records such as budget estimate and personnel statistics and other relevant statistics were sought, stored and utilized during the analysis and reporting process.

The second group of data was the interview files. Two types of interview files emerged from the study. These were the audio record and the transcripts of the interview. This group formed the main content of the data presentation and

analysis in the subsequent chapters. Emerging themes and codes were identified, aided by N-Vivo, and field notes were kept in this folder.

3.6.3 Transcription of Interviews

The major task involved in this qualitative study is the transcription of audio recordings of participants' responses into textual form. This required listening to audio voices of participants and writing exact words of what they say. This is the process of converting data from interview audio and observation into textual data (Creswell, 2011). The interviews were conducted in English language and literary meanings were given to words expressed by the research participants. This was made possible through the development of coding system and verification by two research supervisors. This process is called inter-rater reliability (Morse, 2015).

With the aid of electronic devices, the audio of interviews was transcribed into a textual form for qualitative data analysis. The transcription generated a total of 38,321 words and approximately 143 pages of A4 paper. As noted in the previous section, digital IC recorder was used to record the interview sessions and helped in the transcription process. Also, the popular qualitative software, N-Vivo 10, was judiciously utilized in the transcription process. This simplified the hectic nature of transcription process. The advantages of the use of the software include the choice of playing mode and the flexibility in the transcription process. It made the work of transcription easier compared to using the manual method of listening, writing, backward-play, forward-play, pause,

and play. In fact, it made the process less cumbersome (Richards, 1999). It was easier using these electronic devices.

However, it was not without challenges. One of the challenges is the need to place the recorder appropriately to avoid noise and to learn how to use them properly. Economically, they were not cheap for a student, but they were worth it. Additionally, the Computer-assisted software could only help in managing the data and could not be substituted with the human analytical capability needed for qualitative analysis (Bryman, 2012; Rose, 2011)

The transcription process involved listening to the recorded interviews many times so as to get familiar with the interviewee ascents and recall that moment when it was recorded to account for some observed non-verbal meaning taken during the interview session using field notes (Miles & Huberman, 1994). It required adequate attention to avoid mixing up of words and participants. To do this, every participant was given an identity (R01, R02, R03 onwards). This helped in identifying participants' views for analysis and reporting (see appendix D). Also, these interview transcripts were exported to Microsoft word processor for editing and manual coding or indexing.

However, the transcription process was so demanding that it took the researcher some time to transcribe the twelve (12) interviews. Using verbatim approach, certain terminologies were edited to provide a flow of statement. Words such as “em, you know, so, eh, er,” and incomplete sentences were sorted in the second stage of the transcription process.

3.6.4 Analysis of Interview Transcript

The next step in data analysis for this study was making sense out of the interviews conducted. Bradley et al. (2007) identified three acts in qualitative data analysis. They include identification of taxonomy, themes, and theory. The sequence of the process of analysis of the interview transcript was a thorough reading of the transcripts over and over again, generating coding of the textual fact according to research questions and seeing the relationships between codes that are most meaningful (Bradley et al., 2007).

As depicted in Figure 3.2, reading the transcript dominated the process by affecting all another process. It is followed by manually highlighting paragraphs, sentences, and phrases (see Appendix E and F). Each highlighted paragraphs or sentences were given general or specific codes/categories. In fact, the process evolved through constant comparison through triangulation of interview transcripts and iterative approaches. As stated in the previous sections, labels were assigned to words and phrases to convey meaning by assigning the literary meaning of the words in confirmation of pre-listed codes and in agreement with supervisors understanding.

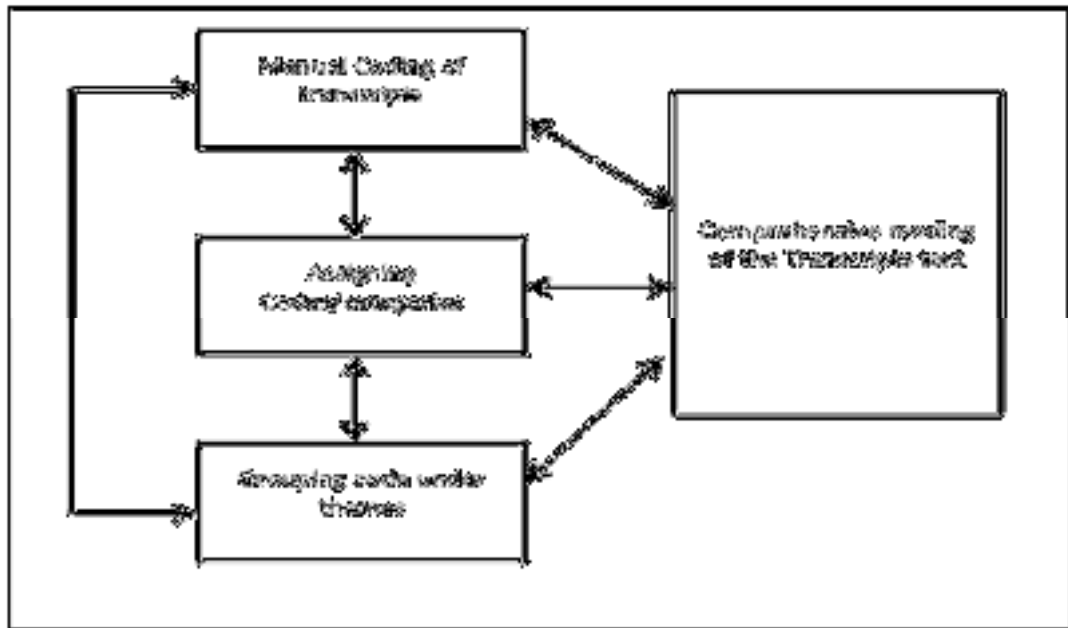


Figure 3.2
Coding process

The analysis started at the time of drafting the interview protocols by adopting semi-structured interview approach. Burnard (1991) enumerated some stages in analyzing interview data. According to the author, initial notes are taken during and immediately after the interviews. Other stages include a thorough reading of the transcript, initial coding, generation of themes and categorization and ensuring validity. Thus, the interview data were analyzed through the following cyclical stages as depicted in the next subheadings.

3.6.4.1 Notes Taking During and After Interview Sessions

The initial analysis started with notes taking during and after the interview sessions. Notes were jotted about each particular interview as regards the research questions and the initial start code list. This helped in identifying answers to the research questions; emerging codes were identified and noted in the field notes. Through this process, the study was able to fairly attain

information redundancy after the sixth (6th) interview session (Marshall et al., 2013). Attention was directed towards the performance indicators of the EFCC, the constraints encountered and the adoption of forensic accounting as the analytical framework (Miles et al., 2014; Ward, Furber, Tierney, & Swallow, 2013).

3.6.4.2 Comprehensive Reading of Individual Transcripts

The second stage was the thorough reading of the transcribed interviews. The transcripts were read thoroughly, and notes were taken on the general issue under study which are the structure, strategy and effectiveness of the EFCC and the adoption of forensic accounting in fraud investigation. The structure refers to the formal arrangement of the EFCC (organizational structure), strategies connote the decision-making process and the performance relates to the achievement of the EFCC's objective. Data were triangulated to identify the common pattern among data sources and participants. The aim was to become immersed in the data (Burnard, 1991). This relates to the perception, meaning, and understanding of the phenomenon from the participants' lens. This helps in identifying emerging themes without losing the connectivity between concepts and context (E. H. Bradley et al., 2007). Furthermore, it assisted in the identification of some typographical errors and incomplete sentences.

3.6.4.3 Open Coding of Interview Transcripts

The interview transcripts were first coded manually and using Microsoft word processor (see Appendix E and F). Coding refers to tagging or labelling the whole documents or the segments of documents to help index key concepts

while maintaining the context in which they occur (Bradley et al., 2007; Braun & Clarke, 2006; Miles & Huberman, 1994). This was done after reviewing the entire transcript, and a general understanding through immersion was achieved. Thus, this study assigned codes or categories to words, phrases, sentences or paragraphs to convey meaning as expressed by the participants during the interview sessions. The process was made possible because of the common language used and codes meaning were derived from the participants' explicit emphasis and initial code list. The various identified codes were group under similar themes to form code structures (see appendix I). Through the continuous process, the codes were refined to eliminate overlapping words and concepts.

3.6.4.4 Code Structure and Matrices

In developing code structure, this study adopted an integrated approach (Bradley et al., 2007). This method involves both inductive and deductive approaches. A pre-conceived list of themes from the literature and theory guided the study in the coding process by adopting the deductive approach which is complemented by the inductive approach. The aim was to identify expected and emerging codes from the transcripts. In so doing, line-by-line coding was used to identify codes (see Appendix E, F and G). A constant comparison approach was also adopted (Bradley et al., 2007; Miles & Huberman, 1994). This was done by comparing participants views to identify patterns within the transcripts. Thus, code structures evolved from the opinion of the participants and the conceptual framework.

In line with this, categories were identified as relevant to the current study. These are the current state of the EFCC, relevance of forensic accounting and the influence of institutional and organizational factors on the adoption of forensic accounting in fraud investigation (see appendix I). These broad themes guided the coding process for this study.

3.6.4.5 Finalizing Code Structure

The preceding sections describe the procedure adopted for coding the interview transcripts. In this section, the structure of the final code was developed. It should be recalled that a conceptual framework was drawn up (modified) in Chapter Two under literature review. The theoretical framework is a graphical presentation of the main elements or factors studied and their influences. This was driven by previous literature and theoretical postulations. Accordingly, strategic organizational decision making is affected by environmental, organizational and individual factors (Child, 1997; DiMaggio & Powell, 1983; Donaldson, 2001; Meyer & Rowan, 1977; Tolbert & Zucker, 1983). Therefore, these formed the basis for the conceptual framework.

In summary, a cyclical approach to qualitative data analysis (Creswell, 2007) through framework analysis (Lillis, 1999; Parkinson, Eatough, Holmes, Stapley, & Midgley, 2016) was adopted by this study. According to this approach, as outlined above, data were organized into files, reading the transcript thoroughly and making notes, creating codes and themes by describing the views expressed by the participants. Other activities include interpreting the data as well as visualizing the data.

Table 3.5
Data analysis and presentation

Category	Activities
Data organization	Create file folders
Reading and memoing	Read the transcripts and jot notes as initial codes
Describing the data into codes and themes	Describe the case and its contents
Classifying the data into codes and themes	Use categorical aggregation to establish themes or patterns
Interpreting the data	Use direct interpretation; develop naturalistic generalization of what was learned
Representing and Visualizing the data	Present an in-depth picture of the case using narrative, tables and figures.

The content of Table 3.5 described the process of qualitative data analysis. As outlined in the previous section, this study organized the data into folders for literature and interview. This formed the first step taken to analyze the data. Interview transcripts were read over and over to understand the views and make some notes. Codes were selected and grouped under similar themes as elaborated in the previous sections. As contained in Table 3.5, the study adopted the use of direct quotations in interpreting the views expressed by the research participants by giving the literal meaning of the words.

3.7 Validity and Reliability

In qualitative research, different approaches have been suggested for ensuring validity and reliability of research findings (Barbour, 2001; Creswell, 2013; Janice Morse, 2015; Janice M. Morse et al., 2002). These include triangulation, member checking, peer debriefing, multiple coding, prolong engagement and (Baxter & Eyles, 1997; Baxter & Jack, 2008; Creswell & Miller, 2000; Janice M. Morse, 2015). An initial approach to validity and reliability of qualitative case study is through triangulation of data sources, and type (Baxter & Jack, 2008).

3.7.1 Triangulation

One of the methods employed by qualitative researchers in ensuring the credibility of research is triangulation (Creswell & Miller, 2000). It is a process of validating the data where researcher seeks for convergence among multiple participants and across data sources. The present study adopted triangulation of method by using multiple data sources and cross-sectional confirmation (Barbour, 2001; Long & Johnson, 2000). In other words, multiple data collection methods such as interviews, observations, and documentary sources were used in this study. Accordingly, Miles and Huberman (1994) argued that multiple sources of data are in fact a form of triangulation. Hence, this study collected and analyzed data from three primary sources of qualitative data. Views of participants were collected, listened to, transcribed and analyzed. In addition, documentary evidence (annual reports and budgets) was gathered from the EFCC and the Nigerian budget office website. This evidence was validated against each other. Additionally, systematic procedures for sorting the transcript

data to form themes and categories were adopted as proposed by (Creswell & Miller, 2000).

Adopting Patton (1980) approach, the current study adopts a constant comparison by reading the interview transcripts many times in order to make sense out of the dense data. Some interview transcripts were read more than five times before and during the coding process. A constant comparison is achieved via the identification of pattern within and across the interview transcripts. Additionally, the purposively selected participants were actively involved in the research process by having friendly conversations.

Furthermore, this study has been supervised by two experts in qualitative research, whose inputs are glaring in every page of this study. More importantly, in ensuring the rigors of data collection and analysis, the study was proposed and defended before seasoned faculties who have contributed immensely to strengthening the research process.

3.7.2 Trustworthiness

Another method of guaranteeing the credibility of the current study is the use of trustworthiness (Bryman, 2012). Under this approach, Creswell and Miller (2000) cited that research must be conducted to ensure the credibility of the data and the findings. The current study followed the cannon of good practices.

The content of Table 3.6 show the efforts made in ensuring the truthfulness of this study. The presumption that the participants are knowledgeable of the issue

under study provides the ground to believe in what they say as insiders mostly decision makers. In addition, three group of management staff were combined to observe any emerging differences in views and perceptions. Efforts were made to show the sequential process of data collection and analysis to provide an opportunity for an audit trail of the research process.

Table 3.6
Ensuring trustworthiness in this qualitative study

Criteria	Approach taken
Credibility	Participants were purposively selected on the assumption of their knowledge on the current state of the EFCC and decision-making process. The aim was to assess convergence and divergence of views and opinions.
Transferability	Efforts were made to describe the case and participants that allow for judgment to be made in replicating similar study. However, this study is not aimed to be reproduced to obtain similar results.
Dependability	A step by step account of the research process was narrated to give room for audit trial of the research process.
Confirmability	Using multiple sources of data, multiple and diverse participants provided ground for confirmability.

Source: Creswell (2013) and (Bryman, 2012).

Thus, participants were purposively selected covering three layers of management. The inclusion of these participants provided the avenue to observe negative case analysis (Morse, 2015) and as a means to triangulate the views (Barbour, 2001). Under this approach, every view was considered relevant to

the study. Different opinions expressed are all included. In a similar way, a step-by-step approach to data collection and analysis is made in this chapter providing means for audit trial (Morse, 2015). In addition, the results were confirmed through interview, documentary, observation and peer review processes (Baillie, 2015).

3.7.3 Reflections

Undertaking inquiry into sensitive issues requires some ethical considerations. In line with this, the researcher was conscious of been biased in the course of discovering underlying phenomenon. The problem of neutrality on the part of the researcher was no doubt remained an important item to reflect on. However, previous research effort depicted that in a qualitative study of this nature, the researcher is the instrument of data collection, analysis, and interpretation. As a human instrument, Rose (2011) opined that what was learned or observed may be directly or indirectly affected by the researcher's personal values.

In line with the above propositions, efforts were made during and after the interview session to minimize the amount of personal interests, thoughts, and opinion of the researcher in distorting the result of the findings. The technique adopted by the current study was the use of semi-structured interview (Burnard, 1991), where broad questions were asked at a time to allow the research participants to air their views. In most cases, these general questions were followed up with specific questions for clarity of ideas.

Also, to minimize the amount of biasness, interviews were not immediately transcribed after each interview session. In fact, the process of transcript only started after all the interviews were completed. This helped in minimizing the amount of routine way of asking questions in order to obtain similar responses from different research participants.

Therefore, in order to get more details information, a reflection technique was adopted (Shepherd, 2002) with a view to gain insight into people thoughts, particular interest was paid to an expression that has a different meaning. This is to avoid the researcher attributing meaning that is contrary to the meaning attached by the participant. For instance, a research participant said that “...*The way forward is when the right thing is done*” this statement may be interpreted differently, so a probing question was asked following the declaration. This gave the researcher enough confidence that most of the meaning attributed to statements were the intended meaning because of the personal discussions that transpired between the researcher and the research subjects who in most cases shared their personal experiences as well as further elaborations.

Additionally, non-verbal communications were observed, especially, when questions were asked and noted. For example, when asked about the dominance of police in the strategic position of the EFCC, a research participant looked at the researcher and said “...*most of the police are already trained investigator*” whilst another participant said “...*the capacity is not with the police in terms of investigating financial crimes*” all these were noted because of the non-verbal expression before the statement.

Another fundamental issue was the presentation of the results. The researcher keeps on wondering as to whether the report actually captures all the views presented by the participants in formulating the conclusion of the study. As such, extra care through revisiting the interview files and concerns have been taken on the research process especially during the data collection and analysis stage in order to ensure that biasness issue raised is minimized. This include the use of semi-structures interview, assigning code label based on the literary meaning of the words and interpreting result in line with the context for which it was expressed.

3.8 Summary of the Chapter

In this chapter, the research process is enumerated to depict the philosophical approach to inquiry adopted. Adopting a case study approach, the researcher believes that there is a multiple view of the nature of reality only gained from interaction with appropriate participants purposively selected, through documentary evidence and observation. Data sourced from interview and documentary sources were analyzed using the sequential and integrative cyclical approach of thematic framework analysis through data condensation, display and conclusions. Efforts to ensure rigor and trustworthiness include the selection of appropriate participants, triangulation of data and source, interview protocol and external supports. Themes and categories identified and emerging from the analysis form the contents of the next chapter (presentation of results and analysis) which is the basis of discussion and conclusion in the subsequent chapters.

CHAPTER FOUR

PRESENTATION OF RESULTS AND ANALYSIS

4.1 Introduction

In the previous chapters, the background to this study, literature supports, methodological assumptions, explanations, and procedures adopted were described. This chapter presents the results of the methodological process needed in arriving at a qualitative report to identify the influential factors on the adoption of forensic accounting in fraud investigation to enhance the effectiveness of EFCC's fraud investigation.

With regards to this, the presentation of the results will follow a sequential flow of ideas obtained from the interview transcripts, documentary evidence, and observation, to answer the research questions raised in Chapter One and to achieve the objective of the study. To grasp the flow of thoughts and ideas, the presentation will be based on the structure of the developed code (see Appendix I) which depicted the objective of the study and presented in the following sequence. The research objectives are restated here as follows: -

1. describe the performance and perceived challenges influencing the effectiveness of the EFCC;
 2. identify the perceived institutional factors influencing the adoption of forensic accounting in fraud investigation by the EFCC in Nigeria;
 3. depict the perceived influence of organizational factors on the adoption of forensic accounting for investigation process by the EFCC in Nigeria;
- and

4. explicate the perceived influence of the adoption of forensic accounting on the fraud investigation by the EFCC in Nigeria.

4.2 Performance of the EFCC as an Anti-Corruption Agency of Nigeria

The rationale for the creation of Anti-Corruption Agencies (ACAs) including the EFCC has been to minimize the perceived level of corruption in their respective countries through the investigation and prosecution of corrupt offenses (De Sousa, 2010; Johnson, Hechler, De Sousa, & Mathisen, 2011; Meagher, 2005; Quah, 2010). Although some level of successes has been recorded, there are reported widespread failure of ACAs to combat corruption (Heeks & Mathisen, 2012; Johnson et al., 2011; Persson et al., 2010, 2013; Quah, 2010). In fact, Heeks and Mathisen (2012) argued that most anti-corruption efforts fail in developing countries. However, measuring the performance of ACAs requires special attention to what they are set up to achieve (Johnson et al., 2011). The evaluations of the performance of ACAs are usually on output and outcome indicators (Johnson et al., 2011; Meagher, 2005).

Previous studies have suggested that the performance of ACAs should be based on what they do and set to achieve (Meagher, 2005). Thus, focusing on the functions performed by ACAs (Johnson et al., 2011). Accordingly, Meagher, (2005) termed this approach as the output measure. Under this approach, the number of petition received, investigated and conviction rates have been used to assess the performance of ACAs (Meagher, 2005; Quah, 2009, 2015a). The second approach is outcome measure (Meagher, 2005). Here the impact of the

activities of ACAs on the perceived level of corruption is used. A common approach has been the use of CPI or the world bank control of corruption index.

For the purpose of this study, the performance of the EFCC is measured using the combined approaches employed by Olowu (1999), Meagher (2005) and (Quah, 2009, 2015). Considering the sensitivity of the issue and non-availability of published statistics on operations of the EFCC, this study opted to use the only available 2013 annual report of the EFCC and the CPI. In so doing, the operational activities of the EFCC and Nigerian score on the Corruption Perception Index (CPI) were evaluated and triangulated to depict the overall performance of the EFCC in fighting systemic corruption in Nigeria.

In benchmarking the performance of the EFCC, three (3) categories, using Thematic Framework Analysis (FA) (Parkinson et al., 2016) and initial code lists (M. Miles et al., 2014; Ward et al., 2013), were identified from the qualitative data. These are the petitions, investigations, and convictions of corrupt practices. These yardsticks are presented in Table 4.1.

Table 4.1
Benchmarking the performance of EFCC

No	Categories
1.	Petitions received from the public
2.	Petitions investigated by the EFCC
3.	Convictions recorded by the EFCC

As can be seen from Table 4.1, the EFCC receives petitions on cases of corruption from the public, investigates, and prosecutes in a court of law. These three (3) categories of operational activities describe the functions of the EFCC as contained in the EFCC Establishment Act (FGN, 2004). The pattern of data indicates that minimizing the level of corruption requires the investigation of petitions received from the public, prosecuting the investigated cases and convicting corrupt offenses through law enforcement (FGN, 2004).

As can be observed in Figure 4.1, the prosecution of economic crime or corruption by the EFCC begins with the receipt of petitions from the public to that effect. Once the petition falls within the jurisdiction of the EFCC, a full investigation is initiated to ascertain whether the accused person has committed the said offence. Once it is proven to be true that the crime was committed, a court proceeding is instituted to determine the case in question. The legal and prosecution department is responsible for the prosecution of offenders.

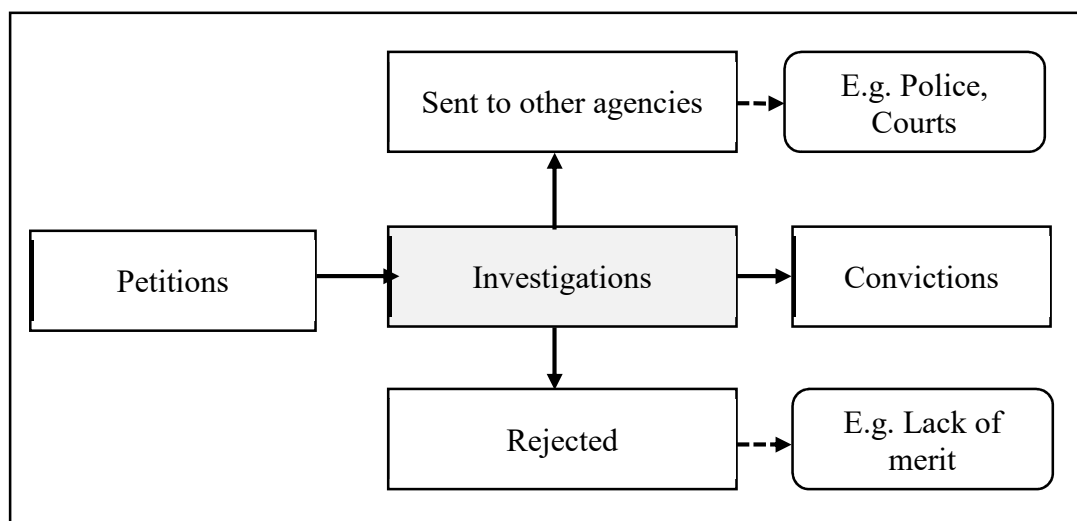


Figure 4.1
Operational activities of the EFCC

4.2.1 Petitions and Complaints Received by the EFCC

Petitions and complaints on cases of economic and financial crimes emanating from the general public are addressed to the Executive Chairman (EC) of the EFCC through the six (6) zonal offices spread across the six (6) geo-political zones of the country or directly to the EFCC's head office in Abuja. The EC through the Directorate of Operation examines the complaints and assign operatives to investigate and come up with a report for further actions to be taken. These petitions come in different forms such as Public Sector Corruption, Advance Fee Fraud (AFF), and cyber-crimes.

The available statistics from the 2013 Annual Report of the EFCC reveals the number of petitions received between 2010 and 2013. As presented in Table 4.2, a total of 25,522 petitions were received from the public between 2010 and 2013.

Table 4.2
Petitions received by EFCC 2010 -2013

Year	Petitions received	Percentage
2013	6,089	23.86
2012	4,914	19.25
2011	7,737	30.32
2010	6,782	26.57
Total	25,522	100.00

Source: EFCC (2013a)

As can be seen in Table 4.2, the total number of corruption complaint received by the EFCC for the period of the report amounted to 25,522. Further analysis of Table 4.2 shows that the year 2011 had the highest petitions received followed by 2010, 2013 and 2012 respectively. There is an observed increase in the number of petitions between 2010 and 2011 as well as 2012 and 2013 accounting for 14% and 24% respectively. A downward trend was seen between 2011 and 2012 where a decrease of 2,823 or 36% of public petition on cases of corruption.

The EFCC scrutinizes the petitions and evaluates their contents and the legal implications thereof for subsequent actions (Akume & Okoli, 2016). The petition that falls within the powers of the EFCC is investigated and charged to court after proper investigations have been conducted by the operatives of the EFCC. However, cases of civil matters, family disputes, and other related cases are referred to the police or other agencies for further investigations as explained by research participant R04:

[...We receive a number of complaints, investigated those that are within the armpit of the establishment Act, and send them to courts for prosecution. Some other ones we refer them to either Police or to advise the complainant to go to court as civil matters (R04)].

In support of this view, the EFCC annual report shows the breakdown of the petitions received and investigated and hereby presented in the following Table 4.3. A total of 25,522 petitions were received from the general public and over 5,000 of these petitions were rejected for lack of merit or other yardstick used

in assessing the reported cases. Other cases amounting to 6,000 were transferred to other organizations such as the Nigerian police or civil courts.

Table 4.3

Breakdown of petitions received by EFCC (2010-2013)

Year	Petitions received	Transferred	Rejected
2013	6,089	1,027	609
2012	4,914	707	245
2011	7,737	2,385	2,746
2010	6,782	2,477	1,767
Total	25,522	6,596	5,367

Source: EFCC (2013a)

In the content of Table 4.3, the EFCC received 25,522 petitions, transferred 6,596 cases to the Nigerian police and civil courts while the EFCC rejected a total of 5,367 petitions for lack of merit.

4.2.2 Investigation and Prosecution of Financial Frauds

Investigations of complaints received from the public are undertaken by the operatives of the EFCC after due considerations are made to gather evidence for the possible prosecution in a court of law. An available record from the 2013 Annual Report of the EFCC shows that 4,453 cases of economic and financial

crimes were investigated in the year 2013. The analysis of Table 4.4 shows sustained increase in the number of investigated cases. The numbers increased from 2,538 in 2010 to 4,453 in 2013. This shows the increased of the EFCC in investigation of fraudulent practices in Nigeria.

Table 4.4
The cases investigated in 2010-2013

Year	Petition	Investigated	Percentage (%)
2013	6,089	4,453	73
2012	4,914	3,862	80
2011	7,737	2,606	34
2010	6,782	2,538	38
Total	25,522	13,553	

Source: EFCC (2013a)

However, the 2013 annual report described the effort of the EFCC in tackling Advance Fee Fraud (AFF). Advance Fee Fraud (AFF) as the offense with the highest number of investigated cases, followed by the public-sector corruption and bank/security fraud. Other forms of fraud investigated by the EFCC include cybercrimes, procurement fraud as well as real estate fraud.

Advance Fee Fraud (AFF) is a form of economic and financial crimes that involves demanding in advance fees in exchange for a particular kind of business deals (Manning, 2005; Shehu, 2015). It accounted for more than 50%

of all the cases investigated in 2013 alone indicating a success in the fight against this form of fraud as observed by the participant R06:

[...Through the law enforcement activities of the EFCC we have checked the cybercrime and advance fee fraud to a large extent (R06)].

Another area where the EFCC has a higher number of investigations has been the public-sector corruption. Major cases in this form of financial crimes include misappropriation of public funds by elected, appointed or employed public officials. A higher proportion of those investigated under this type of economic crimes is the Politically Exposed Persons (PEPs). They include governors, ministers, legislatures and politicians as explained by the participant R06:

[...People who find themselves in privilege public offices will want to loot, but nobody will want to be called to account for his actions. I set examples, most of the cases involving governors: the case of Federal Republic of Nigeria against Joshua Dariye, former governor of Plateau state, the case of Federal Republic of Nigeria against Orji Uzo Kalu former governor of Abia state and so many other examples involving governor who finished their tenure of office around 2007 (R06)]

Virtually, a higher proportion of the Nigerian former state governors has been investigated by the EFCC on cases of public sector corruption. The activities of the EFCC in 2007 recorded the prosecution of seven (7) former state governors of Plateau, Abia, Jigawa, Taraba, Enugu, Delta and Ekiti states. Similarly, former governors of Adamawa, Edo, Oyo, Plateau and Sokoto were respectively charged to courts in 2008. The years 2005, 2006 and 2010 saw the prosecution of former governors of Bayelsa, Kogi and Nasarawa states respectively.

Furthermore, recently some additional ex-governors were charged to court for cases bordering on corruption in public. This is explained by the participant R09 where he said:

[...Recently we have arraigned a former governor of Jigawa State. We also arraigned the former governor of Adamawa State. We also arraigned the former governor of Imo, and a number of governors, former governors that we have questioned and their cases will soon be taken to court (R09)].

Furthermore, the EFCC has caused investigation into the recent Petroleum Subsidy Fraud where over \$6.8 billion was stolen between 2009 and 2011 from the oil sector which is the main source of revenues to the government. The revelation by a legislative committee on the fuel subsidy regime depicted a gross mismanagement and outright theft of public fund. Available records obtained from the report of the ad hoc committee on the subsidy scandal revealed a 900% increase in the subsidy payments over the approved amount between the years 2009 and 2011 which were diverted to private use by highly placed individuals. In support of this claim, the investigation into the subsidy fraud by the EFCC reveals that highly placed individuals allegedly collected money from the Nigerian government to import Premium Motor Spirit (PMS) without doing so as observed by the following participants:

[...We are doing an investigation in the area of subsidy for instance. These are people who collected money from the Nigerian government to import PMS into this country but never imported any but pocketed the money (R02)].

[...In the subsidy investigation, for instance, we have the son of the former chairman of the PDP, which was a ruling party until recently. Moreover, many other individuals in that oil sector who are not ordinary Nigeria they are well to do Nigerians. People with a lot of resources. They are currently being prosecuted for the offenses they have committed in that sector (R09)].

Another area that emerged from the discussion between the researcher and the participants and the discoveries obtained from existing documents was the investigation into the Pension Scam. Currently, the EFCC is investigating cases emanating from the Pension Scam where over N273 billion which was diverted to private use by career civil servants (Dailytrust, 2012). Participant R09 further explained the efforts of the EFCC in this area in the following comments and depicted in Table 4.5.

[...We are investigating people who defrauded pensioners in the Pension Scam and those that we are prosecuting in those matters are not ordinary Nigerian they are well to do Nigerian (R09)].

Table 4.5
Cases of Pension Scam prosecuted by the EFCC

Suspects	Amount
11 individuals and 30 companies	N30 billion
4 individuals	N1.2 billion
5 suspects	N20.8 billion
Former Head of Service of the Federation	N6.2 billion

Source: Dailytrust (2015)

As depicted in Table 4.5, the EFCC has arraigned over twenty-one (21) individuals and thirty (30) companies on the allegations of Pension Scams to the tune of N58.2 billion. The suspects include the immediate past Head of Civil Service of the Federation and a Director of the Pension Board (Dailytrust, 2015)

who are currently being charged courts for the offenses they allegedly committed.

4.2.3 Convictions Secured by the EFCC

The main aim of the EFCC is to eradicate corruption from Nigeria through the investigation and conviction of corrupt offenses. A total of 339 convictions were won by the EFCC between 2010 and 2013 (EFCC, 2013).

Table 4.6

Total Convictions secured by the EFCC (2010-2013)

Year	No. of convictions	Percentage (%)
2013	117	34
2012	87	26
2011	67	20
2010	68	20
Total	339	100

Source: EFCC website, EFCC (2013a)

A total of 339 convictions were secured in four (4) years as shown in Table 4.6 with 2013 having the highest number of convictions by the EFCC. However, the notable and celebrated convictions were those of former Inspector General of Police (IGP) and three (3) former state governors and a National political

leader that took center stage in the history of the EFCC. Accordingly, to reflect this claim participant R02 said:

[...We have a lot of notable cases, the conviction of the former Inspector General of Police and several ex-governors have also been convicted, notable among them is someone like Diepreye Solomon Peter Alamieyeseigha” (R02)].

In support of the views expressed above, available documentary evidence indicates that a former Inspector General of Police, two (2) ex-governors, former political leader and a bank Chief Executive Officer (CEO) were investigated, arraigned and convicted on corruption charges in the pursuit of the mandate of the EFCC. These notable convictions secured by the EFCC are documented in Table 4.7 below.

Table 4.7
Prominent people convicted by the EFCC

S/no	Name	Position held	Date convicted
1.	Tafa Balogun	Former IGP	November 2005
2.	Diepreye Alamieyeseigha	Former Governor	July 2007
3.	Bode George	Former Political leader	October 2009
4.	Lucky Igbenedion	Former Governor	December 2008
5.	Cecelia Ibru	Former Bank CEO	October 2010

As seen in Table 4.7, the EFCC recorded a notable conviction in 2005 where an IGP was convicted of corrupt practice. Other prominent convictions include two state governors, a political leader and bank CEO which were recorded between 2007 and 2010 demonstrating the achievement of the EFCC.

4.2.4 Repossession from fraudulent Practices

Apart from petitions received, investigated and prosecuted, the EFCC was able to reposes a substantial amount of money. This was reflected in the EFCC's Annual Report and disclosed by a research participant during the interview session. The participant commented that:

[...It was the effort of the Commission that billions of Naira were recovered including landed properties, assets and so many things (R11)]

Statistical information from the 2013 Annual Report revealed that eleven billion, two hundred and seventy-six million, one hundred and eight thousand five hundred and thirty-six naira eighty Kobo were recovered in 2013 as part of the effort of the EFCC in fighting corruption in Nigeria. It can be observed from Table 4.8 that the Commission was able to recover a substantial amount of cash from cases of economic and financial crimes.

Table 4.8
Cash recoveries made by the EFCC in 2013

Description	Naira (₦)	US Dollars (\$)	Pounds (£)	Euro (€)
Recoveries from zones	7,302,137,603.63	2,190,127.00	45,585.00	7,090.00
Joint revenue recovery	2,269,350,919.00	-	-	-
Subsidy recovery	1,336,061,373.19	-	-	-
EFCC recovery account	368,558,640.99	-	-	-
Total	11,276,108,536.81	2,190,127.00	45,585.00	7,090.00

Source: EFCC (2013a)

The content of Table 4.8 revealed the amount repossessed by the EFCC in different denomination of different currencies. The amount includes about two million US dollars, forty-five thousand Pound, seven thousand Euros and eleven billion Naira were recovered in 2013 indicating a fruitful effort of the EFCC in achieving its role, function, and objective. However, the available record as contained in the annual disclosed only 2013 recoveries (EFCC, 2013).

4.2.5 Nigerian Ranking on Corruption Perception Index

In the prior section on the performance of the EFCC, operational activities of the EFCC were benchmarked on four indicators including petitions received, investigations conducted and convictions secured which led to recoveries of

illicit assets. In this section, efforts of the EFCC in fighting corruption will be corroborated with the global corruption indicators. A common and popular measure of corruption has been the Corruption Perception Index (CPI) produced annually by Transparency International (Foster, Horowitz, & Mendez, 2012; Maria, 2008). The choice of this indicator was suggested and used by previous studies (Meagher, 2005; Olowu, 1999; Quah, 2009, 2015a) and also adopted for this study.

A country's score on CPI indicates the perceived level of public sector corruption on a scale of zero (0) signifying highly corrupt to ten (10) showing the least corrupt country. A country's ranking on the CPI indicates its status relative to other countries in the CPI. Nigerian CPI score between 2001 and 2015 is shown in Figure 4.2.

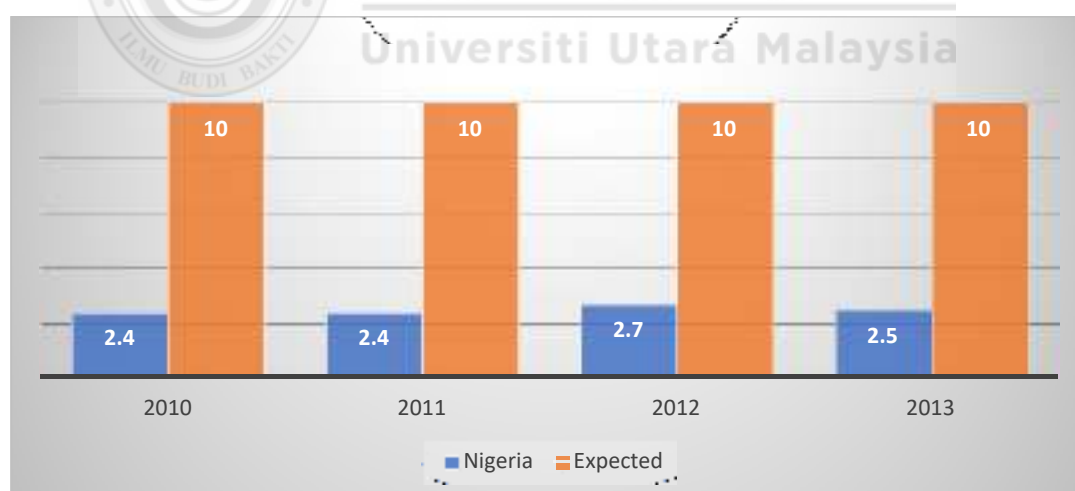


Figure 4.2

Nigerian Corruption Perception Index score (2010-2013)

Source: Transparency International <http://www.transparency.org/cpi>

As can be observed from Figure 4.2, Nigerian score on CPI has been below the average of score of 5.0. Analysis of the content of figure 4.2 show cyclical trend in the score from 2.4 in 2010 and 2011 up to 2.7 and declined in 2013 to 2.5. However, this score depicts Nigeria as a corrupt country relative to other countries of the world. Comparing the Nigerian CPI score to other developing countries such as Botswana, Malaysia and South Africa.

Table 4.9
CPI of Nigeria and other developing countries (2010-2013)

Year	Botswana	Malaysia	S/Africa	Nigeria
2013	6.4	5.0	4.2	2.5
2012	6.5	4.9	4.3	2.7
2011	6.1	4.3	4.1	2.4
2010	5.8	4.4	4.5	2.4

Source: Transparency International (2010-2013)

As shown in Table 4.9, the Nigerian CPI score has been below the average of the sampled countries despite the fact that some of these countries are on the same continent with Nigeria (Botswana and South Africa) and categorized as developing nations. The implication of this score shows that despite the creation of EFCC in 2003 and its operational activities, Nigeria has remained among the most corrupt countries in the world with CPI score of less than 5.0.

4.2.6 Summary of the Performance of the EFCC

In summary, the analysis of the data revealed that 25,522 petitions were received, 13,553 were investigated and 339 convictions were secured between 2010 and 2015. In the content of Table 4.10, the figures reveal that more than 50% of the cases of corruption reported to the EFCC were investigated and prosecutions instituted by the EFCC. Also, about 6,000 or 25% of the cases were transferred to other agencies such as the Nigerian Police, and 21% were rejected for lack of merit and other assessment yardstick used by the EFCC. However, the EFCC was only able to convict 2.5% of the investigated cases and representing 1.3% of the reported cases.

Further analysis of the operation of the EFCC indicates an increase in the number of complain from 6,782 in 2010 to 7,737 in 2011 and from 4,914 to 6,089 between 2012 and 2013. The increase may be related to the increased awareness creation by the EFCC and the confidence in the EFCC. Similarly, there was an observed sustained increase in the number of investigated cases. The number of investigated cases rose from 2,538 in 2010 to 4,453 in 2013. When these two yardsticks are used, the performance of the EFCC depicts a good performance indicators. However, content of 4.10 further shows poor performance of the EFCC, in terms of conviction rate, when compared to CPIB's 98% or ICAC 83% conviction rate (Quah, 2009). Putting the indicators, increased complains and increased investigation, the performance of the EFCC can be considered good. Operationally, the EFCC seems to be effective in achieving its objective. On the other hand, low conviction rate and CPI score shows poor performance of the EFCC. This insignificant conviction rate and the

low CPI score captured the attention of this study for further investigations into the challenges faced by the EFCC.

Table 4.10

Overview of the operational performance of the EFCC (2010-2013)

Categories	Number
Petition received from the public	25,522
Petitions investigated and prosecuted	13,553
Petitions transferred to other agencies	6,596
Petitions rejected	5,367
Convictions recorded	339

4.3 Perceived Challenges of the Economic and Financial Crimes Commission

Using Thematic Framework Analysis approach (Smith & Firth, 2011), initial code lists were created (Miles et al., 2014) and refined in the process of the data analysis to identify the perceived factors influencing the performance of the EFCC in investigations and convictions of corrupt practices. With regards to this, the insignificant effort of the EFCC in improving the CPI and securing higher conviction rate was conceptualized to be attributed to two (2) distinguishing factors.

These are the context in which the EFCC exists and the EFCC's organizational factor, generally categorized into institutional and organizational factors. The categories identified relate to the difficulties in investigating and prosecuting PEPs, the inefficiency in the judiciary, the insufficiency of funding, negative public perceptions, the absence of political will and the inadequacy of manpower as depicted in Table 4.11.

As can be observed from Table 4.11 above, all the participants (100%) disclosed that the Nigerian legal system and the majority feel that funding, manpower and the influence of PEPs have affected their performance as an anti-corruption agency in Nigeria. Other identified factors include the absence of political will, the presence of police and negative public perceptions. These are described in the following headings.

Table 4.11
Perceived challenges of the EFCC

Categories	Participants (%)
Inefficiencies in the Nigerian legal system	100.0
Inadequacy of budgetary allocation to the EFCC	100.0
Inadequacy and competence of personnel	80.0
Involvement of PEPs and political interference	75.0
Absence of political will on the part of government	50.0
Emergency of police as strategic leaders	50.0
Negative public perception	25.0

4.3.1 Inefficiency in the Nigerian Legal System

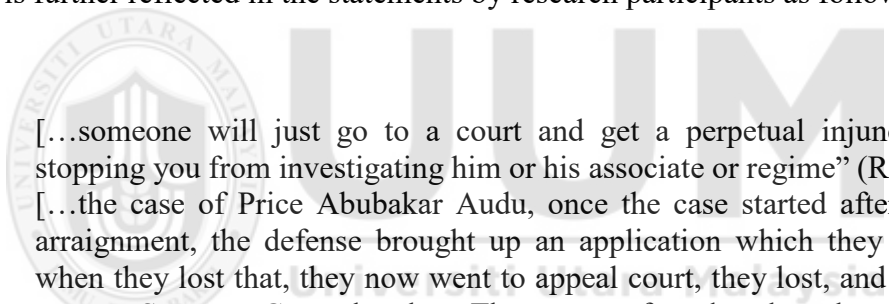
The Nigerian legal system has been described by previous studies as a major obstacle in prosecuting corrupt individuals especially highly placed persons (Shehu, 2005, 2015). There was no divergence among the purposively selected research participants for this study regarding the challenge posed by the Nigerian judicial system. According to them, the legal system gives room for delays in the court process which forms the biggest challenge to achieving the objective of the EFCC. This is reflected in the observations made by research participants:

[...The judicial process is the biggest obstacle we have in our fight against corruption (R01)]
[...We have cases of governors that have lasted for over ten years (R03)]
[...Those people are depth at exploiting the weakness in our judicial system in staying charge in court. For instance, there are cases that the Commission took to the court as far back as 2007 but are still at the plea stage. Meaning that, the trial has not even started more than seven years after they were taken to court (R09)].

Consequently, the delays in judicial process were found to be caused by the insufficiency of judges, lack of commitment, perceived corruption in the judiciary and the granting of frivolous injunctions to corrupt individuals. For example, the following statements were made by the participants during the interview sessions depicting the influence of judicial inefficiency:

[...you find out that there are cases taking up to five to six years in court and yet to be disposed of by the court” (R04)].
[...There are fewer court judges who handle all manners of case (R06)].
[...seriously I think they are just like any other organization in Nigeria. The judiciary is not immune from corruption as well” (R10)].

Other attributable factors causing the delays and unsuccessful prosecution of the corrupt individual were blamed on the ways in which defense counsel frustrate the efforts of the EFCC. This is made possible through the use of frivolous applications by the defense attorneys to stay proceedings. According to the participants, highly placed persons have the resources to hire some of the best lawyers in the country and these lawyers are not there to get justice for them, they are there to frustrate the trial. This is made further possible because of the weakness of the judicial system, and these lawyers exploit the ambiguities in the Nigerian law. In trying to delay the trial, interviewed research participants disclosed that these lawyers bring all sort of objections regarding jurisdictions. This is further reflected in the statements by research participants as follows:



[...someone will just go to a court and get a perpetual injunction stopping you from investigating him or his associate or regime” (R10)].
[...the case of Price Abubakar Audu, once the case started after the arraignment, the defense brought up an application which they lost, when they lost that, they now went to appeal court, they lost, and they went to Supreme Court they lost. They were referred to the substantive case. They now brought another application they lost. Two times going to Supreme Court (R01)].
[...So you discover that combined with these legal technicalities that are employed by defense counsel, accused persons and their lawyers, coupled with the heavy court list, and other variables that might result from the prosecution itself. Cases do not move as fast as we can or as we expect (R06)].

Therefore, considering the above quotes from the views of the participants, the Nigerian legal system has remained one of the obstacles to the speedy dispensation of corruption cases. The delay in the judiciary has been due insufficient judges, lack of commitment, perceived corruption in the judiciary, granting of frivolous injunctions, ambiguities in the Nigerian laws and the influence of defense attorneys. This called for reform in the judiciary by creating

special courts, employment of more judges and assigning time-frame for hearing corruption cases.

4.3.2 Insufficiency of Budgetary Allocation

Adequate budgetary allocation determines to some extent the success of the ACAs (Quah, 2009). Previous studies have used per capita expenditure to assess the adequacy of financial resources to ACAs (Meagher, 2005; Quah, 2009, 2015a). Given the absence of adequate budget information for this, approved budget of the EFCC was downloaded and the per capita expenditure was calculated. It is argued that the effectiveness of ACAs is dependent on adequate financial resource (OECD, 2013). This was equally discovered in this study that funding is needed for every operation of the EFCC. It was gathered that the only source of financing to the EFCC is the budgetary allocation from the government with logistics supports from donor agencies. In fact, it was gathered that the EFCC lacks sufficient fund to hire senior lawyers and meet other operational needs of the agency.

[...everything we do here requires money. Investigating economic and financial crimes is not a cheap task. We have to hire the best staff, train them and provide logistics. So, everything is affected, from physical structure to staff welfare and logistics (R11)].

The annual budgetary allocations to the EFCC was assessed and presented in Table 4.12 for three years to observe the trend in the budget allocations as well as per capita expenditure. Adopting the measure used by Quah (2009, 2015) data on the Nigerian budget, budgetary allocation to the EFCC, Nigerian population and per capita expenditure were analyzed and shown in Table 4.12.

Table 4.12
Annual budgetary allocations to the EFCC (2013-2015)

Year	Total Exp. (\$)	Population	Per Capita Expenditures (\$)	(%) of the budget
2015	63,472,623	182,201,962	0.35	0.24
2014	76,533,557	177,475,986	0.43	0.26
2013	61,425,969	172,816,517	0.36	0.20

Source: Nigerian budget office web site; PriceWaterhouseCoopers, (2014, 2015)

In the above Table 4.12, the average total budgetary allocation to the EFCC is about \$67 million per annual. This amount, when compared with ICAC's budget of \$85 million (Quah, 2015a), is inadequate given the Nigerian population and the number of corruption cases handled by the EFCC. Other indicators from Table 4.12 shows an average per capita expenditure of \$0.38 below the CPIB's per capita expenditure of \$4.0 (Quah, 2015a) or ICAC's per capita expenditure of \$21.72 (Quah, 2009) and the EFCC budget only accounted for about 0.23% of the Nigerian budgets for the period indicated in the Table 4.12. These indicators represent the insufficiency of funding to the EFCC and affecting its anti-corruption fight in Nigeria. Hence, resulting in a poor performance of the EFCC in achieving its mandate.

It was further reported that EFCC budget for 2013 was slashed by more than 50% expressing concern that it may affect the agency in meeting its personal and capital expenditure (Ndiribe, 2012). Furthermore, it was observed from the views expressed by participants that unless there is an increase in budgetary

allocation, the Commission will continue to strive in this challenge. As argued by the participants, the insufficiency of funding was associated with the economic situation in the country caused by the fall in global oil prices and the absence of political will.

4.3.3 The Absence of Political Will

The levels of commitment exhibited by policy makers are crucial to the achievement of a set of public policy including anti-corruption policies (Brinkerhoff, 2010). The EFCC is an agency of government, created by the government to fight economic and financial crimes in Nigeria and depends on the government for financial supports. According to a participant, the role of the government is just one which relates to the political will. The creation of the EFCC in 2003 saw three successive administrations and their commitment towards the agency. Depending on their disposition towards the fight against economic and financial crimes, every administration exhibited its level of commitments.

However, according to the views of the research participants, in the early life of the EFCC, a lot has been achieved because of the support from the then government, likewise the current administration. However, the level of commitment was missing under 2005 to 2015 Jonathan-led administration. This is reflected in the following statements made by participants:

[...I think it covers two or three eras. In the time of President Obasanjo, we got everything we needed. Post Obasanjo, we struggled. I think you have seen most of our battles, especially with the National Assembly in terms of our budgets. There is budget cut and so on (R01)].

[...Obasanjo's government tried very much, then came the administration of Goodluck, when he came, the political will was not there at all. Seldom will you hear anything to do with high profile cases? However, today almost most of the governors are been investigated (R02)].

[...Budget is decreasing because the government feels and based on the corruption perception index, they feel corruption is irrelevant to fight. So the budget keeps coming down. There is a lack of political will (R11)].

Therefore, the absence of political will was observed from the point of political interference and the insufficiency of budgetary allocation to the EFCC and is considered one of the challenges in achieving the objective of the EFCC in Nigeria. It was observed that absence of political will was influenced by the political culture and the influence of Politically Exposed Persons (PEPs).

4.3.4 Fighting the Politically Exposed Persons (PEPs)

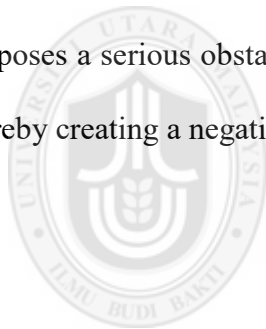
A significant challenge of the EFCC has been the war between political leaders, captain of industry and wealthiest people on the one hand and the EFCC on the other (Ayodele, 2014). It is argued that this group of individuals has enormous resources to hire competent lawyers and to bribe their ways into the inefficient Nigerian judicial system. This was understood from the views reflected in the statements of the participants. For example, the following participants claimed that:

[...Naturally, the greatest challenge for me is from the so-called PEPs. You find that if you fight corruption, it fights back with armor that you cannot withstand. It is crazy; you can't even imagine how much they fight back. So, that is one major challenge (R10)].

[...A politician who is wealthy, having affluence, who has money to throw around will rather go to court and get frivolous injunctions (R07)].

In support of these claims made by the research participants, there are a number of former state governors that have been charged to courts and are still at the trial stage for over seven (7) years with a microscopic progress owing to the factors beyond the control of the EFCC. There are currently more than twenty (20) ex-governors with cases in courts with only two (2) convictions since 2003.

As presented in Table 4.13, fifteen (15) former state governors were investigated for corruption offenses involving billion of money by the EFCC. However only two (2) ex-governors were convicted out of the fifteen (15) arraigned between 2003 and 2010, translating into only 13% of the cases involving PEPs. This indicates a serious challenge to the EFCC's performance and poses a serious obstacle to the achievement of the objective of the EFCC. Thereby creating a negative public perception of the activities of the EFCC.



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Table 4.13

Former state governors charged by EFCC for corruption cases

Name	State	Amount	Year	Status
Diepreye Alamieyeseigha	Bayelsa	\$55 bn	2005	Convicted
Abubakar Audu	Kogi	N5 bn	2006	In court
Joshua Dariye	Plateau	N700 ml	2007	In court
Orji Kalu	Abia	N5 bn	2007	In court
Saminu Turaki	Jigawa	N36 bn	2007	In court
Jolly Nyame	Taraba	N1.3 bn	2007	In court
Chimaroke Nnamani	Enugu	N5.3 bn	2007	In court
James Ibori	Delta	N9.2 bn	2007	Convicted
Ayo Fayose	Ekiti	N1.2 bn	2007	In court
Lucky Igbiniedion	Edo	N4.3 bn	2008	In court
Michael Botmang	Plateau	N1.5bn	2008	In court
Boni Haruna	Adamawa	N254 mln	2008	In court
Rashidi Ladoja	Oyo	N6 bn	2008	In court
Attahiru Bafarawa	Sokoto	N15 bn	2009	In court
Abdullahi Adamu	Nasarawa	N15 bn	2010	In court

Source: Human Right Watch (2011) TELL (2015)

4.3.5 Perceived Negative Public Perception

The analysis of the data further reveals that the general public perception towards the EFCC is another challenging factor. The majority (58%) of the participants opined that the fight against economic and financial crimes cannot be left only to the law enforcement agencies. This is reflected in the statements of research participants where they said:

[...People tend to believe that the fight against corruption is for EFCC and ICPC alone. The ordinary Nigerian does not believe that he has a duty also to combat corruption (R09)].

[...The working environment we find ourselves, some people are not happy with the way we are doing our work and try as much as possible to create confusion (R02)].

[...The society does encourage these issues that are happening, we even clap for them after they steal, we give them chieftaincy titles (R08)].

In order to succeed, the EFCC needs the cooperation of the general public because without the collaboration of the public, the task before the EFCC becomes a difficult one. Therefore, the challenge lies with the Nigerian people as they remain one of the EFCC's major problems. It was disclosed that Nigerians are generally fickle minded individuals difficult to satisfy. An instance was reported that when a PEP was arraigned for an alleged corruption; a group of people came in protesting against the prosecution of the defendant by the EFCC as observed by research participant in following comments:

[...More than 30 buses carrying indigene of Abia state stormed Abuja, protesting the prosecution of their 'son' the then Governor of the state (R01)]

[...Supporters stormed the Federal High Court in Kaduna, where a trial was holding and even demolished the wall of the court in protest against a trial of a former governor (R01)].

Given these scenarios, fighting corruption in an environment perceived as culturally corrupt has been a challenging task to the EFCC. Additionally, there seemed a general lack of proper understanding of the working of the EFCC by the general public as opined by research participant R02, where he says:

[...What EFCC can do is limited. People think that the moment the EFCC gets anybody, it will just get him prosecuted and then convicted and taken to prison, is not like that, most people that are outside now, they want to see their governors in jail, they want to see their minister they want to see everybody in prison (R02)].

Drawing from the opinion of the participants, the Commission faces a perceived challenge of negative public perception. This includes the issue of sponsored supporters of PEPs, lack of cooperation and the need for quick results by the Nigerian general public ignoring the fact that fighting corruption passes through processes. Although the challenges are there, the Nigerian psyche is changing and even bringing the awareness in the mind of the public, has also made the public assist the EFCC by supplying information as argued by the participants and as depicted in the number of petitions received.

4.3.6 Inadequacy of Personnel in the EFCC

According to the results obtained and insight gained from the data analysis, staffing has been an issue. The majority or 80% of the research participants consider manpower as an issue in the achievement of the EFCC's objective. The participants agreed that there is a need to have more personnel to argument on the insufficient workforce in the EFCC as reflected by comments made by research participants.

[...When you talk of investigators, prosecutors, administrators, paramilitary we are less than three thousand, therefore, you can understand that we are not, in terms of number, enough to cover these entire caseloads (R06)].

[...EFCC is still a small organization. In terms of staff strength, we are less than 3000, and we are expected to cover a country with more than 170 million people (R09)].

The existing number of staff in the EFCC, as documented in the 2013 Annual Report, is 1,984. The following Figure demonstrates the breakdown of the staff composition in the EFCC.

As shown in Figure 4.3, the composition of staffing in the EFCC is made up of 1,284 regular staff, 695 police officers, and ten (10) contract staff. Further analysis indicates that 144 or 7.2% are senior level managers, 878 representing 44.2% are middle-level managers and 967 or 48.6% constitute junior level staff.

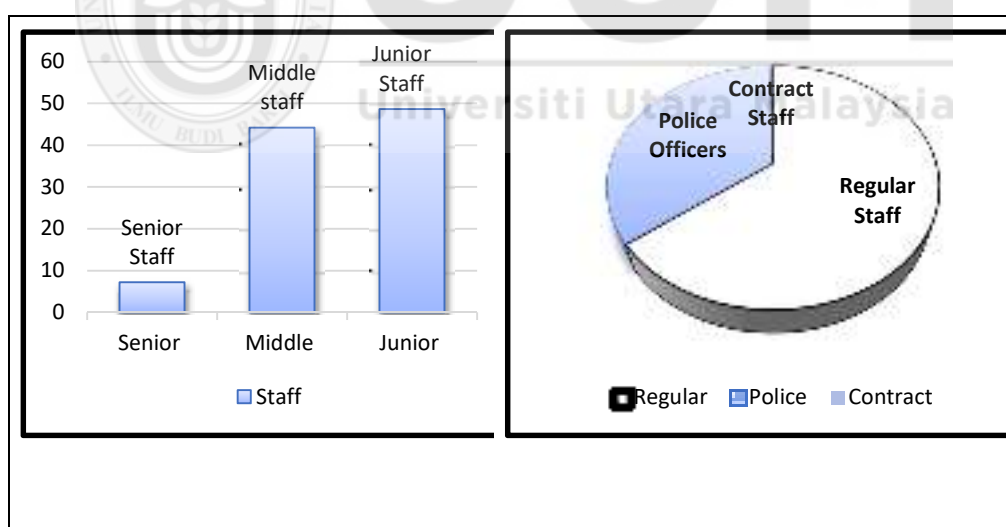


Figure 4.3
Breakdown of EFCC Personnel

Based on this percentage description, the junior staff takes the majority of the staff indicating the insufficiency of competent and skillful staff. In order to meet up the shortfall, personnel are seconded from sister agencies, especially the

Nigerian Police as explained by research participants R01, R02, and R09, where they said:

[...To make up for the shortfall, which is why we have a lot of seconded officers coming in from various organizations (R01)]
[...of the total staff strength of 2000, about 800 are police officers (R02)]
[...We also get people through the process of normal recruitment. Fresh graduates, who come in as a cadet then they go the academy, and they are trained to start their career” (R09)].

However, according to the research participants, despite the fact that there is an insufficiency of personnel, the few available ones were acknowledged to have the best skills in investigations and prosecutions process. Some research participants have the following comments about the issue:

[...We are at par with the international best practice. I assure you, because we attend foreign course, we bring in external resource persons and even do it in-house, and we attend a lot of conference outside (R01)].
[...When it comes to competency I will tell you right away, in the entire West Africa, the EFCC staffs are the most competent but when it comes to staffing, it is the most understaffed in the whole of West Africa” (R10)].

However, some of the informants, about 40%, have criticized the assertion of adequacy and competency of the EFCC staff. Their argument has been reflected in the number of cases being thrown out of courts delayed due to heavy reliance on police investigative knowledge. Accordingly, research participants observed that:

[...We do not have the capacity, and the policeman will never tell you that they do not have the capacity; they are afraid (R03)].
[...We do not have any expert par-say it is just the police knowledge. Because bigger parts of the cases are usually given to the police, and they do not know how to handle these cases (R03)]

[...That is why if you look at most of the cases they go to court and get thrown out. Because what they are looking for is a confession, most of the investigators today in the EFCC are looking for confession (R11)].

The majority of informants believe that there is a need for recruitment to meet the challenges faced by the insufficiency of the workforce. In their various opinions, the research participants feel that to complement the available staff there is a need for continuous recruitment. This is reflected in the statements made by research participants R04 and R06 as follows:

[...if we get more hands it will reduce the volume of work per head, but we are equal to the task (R04)]

[...Recruitment needs to be done (R06)].

Therefore, the data analysis illustrates the effects of the insufficiency of personnel on the performance of the EFCC. Three issues were observed as regards the personnel challenges which include insufficiency, incompetency and the higher number of junior staff with the associated dominance of police officers as investigators and leaders in the EFCC.

4.3.7 Emergence of Police as Strategic Leaders

The Economic and Financial Crime Commission (EFCC) was created at a time when cases of advance fee fraud, cyber-crimes and corruption were widespread. Accordingly, a research participant opined that the only known crime investigators were the Nigerian police and were pooled to form the EFCC. According to this view:

[...EFCC is the first financial crime investigating organization created by the government, and the only people that were renowned in the investigation are the Nigerian police (R11)].

This is the common foundation found in most countries' ACAs. This was the case in Singapore, Hong Kong, and India, where corruption cases formerly were

handled by Police (Quah, 2009). Thus, the first Executive Chairman, being a police officer, brought in people from the Nigerian police at the initial stage. Consequently, the current staff strength of 1,984, a majority are from the Nigerian police. According to the figures provided in 2013 Annual Report of the EFCC, the Nigerian police constitute 684 of the 1,984. Although the police are trained investigators and prosecutors, a reasonable number of the participants (40%) have criticized the presence of the police in the EFCC. According to them, the police lack the basic knowledge of financial investigation as lamented by participants R11 and R03:

[...The capacity is not there with the police and that Nigerian police only do a criminal investigation that is why if you look at most of the cases they go to court and get thrown out (R11)].

[...Bigger parts of the cases are usually given to the police, and they do not know how to handle these cases (R03)].

Furthermore, some of the participants also seem to agree that the police by their nature are generally corrupt. Consequently, it was observed that the police interfere with the process of investigation as observed by research participants R03, and R11:

[...You cannot separate them from corruption because they are innately corrupt (R03)].

[...That is the first compromise that the management will do (R11)].

Therefore, it has emerged from the analysis of the data that the presence of the Nigerian police has contributed to the poor performance of the EFCC. This was primarily attributed to the lack of financial investigation skills and corruption which is associated with the Police (Quah, 2014). It was argued that unless there

is a change in this trend, EFCC will continue to face these challenges in achieving its goal.

Other participants have lamented on the dominance of Police at the strategic level of leadership where most of the decisions are made. According to the views expressed by R09 and R03 the police dominate the strategic positions of the EFCC. They claimed that:

[...The situation that we still have is that those that are with us from other agencies are at a senior level, not the lower level (R09)].

[...We have 10 or 11 departments, but 7 of them are all headed by police, they take the major decision of the Commission because they occupy the strategic positions in the Commission (R03)]

Available records indicate that Police officers have been in control of the EFCC since inception in 2003. The first executive chairman was an Assistant Commissioner of Police, Nuhu Ribadu (2003-2007), Farida Waziri (2007-2011), Ibrahim Lamorde (2011-2015) and the recently appointed Ibrahim Magu (Shehu, 2015). Each of these leaders had his leadership style and its impacts on the success of the EFCC. This, according to the participant R11, made the first Executive Chairman and the EFCC efficient and achieved a lot:

[...Ribadu came up, and he was dynamic and being dynamic in his activity he was able to create and make a name for the EFCC (R11)].

[...Today some people put themselves up there and think they know everything and whatever they think you should do, that is what you will do even if you are going to fail (R11)].

Thus, one basic challenge is the absence of a dynamic, creative and motivated management in the achievement of the objectives of the EFCC as gathered from the discussion with participants.

4.3.8 Summary of the Challenges of the EFCC

The emerging categories and patterns indicate that the performance of the EFCC has militated by institutional and organizational factor. These include the activities of PEPs, inefficient judicial system, the absence of political will, insufficiency of funding, staffing challenges and leadership attitudes. Although, they may have a direct and indirect impact, there is the strong impact of political will on the judicial system, funding, staffing and leadership of the EFCC.

Nigerian legal system negatively influences the performance of the EFCC due to the influence of PEPS, inadequacy of funding and the absence of political will. As can be understood, the lack of political will affects the budgetary allocation to EFCC leading to staffing issues and leadership challenges. The resultant effect has been negative public perception as a result of the role played by PEPs in undermining the work of the judiciary and absence of political will on the part of the government.

However, organizational performance, including the anti-corruption fight by the EFCC, rests on the shoulders of the leadership of the EFCC to adequately recruit a competent professional workforce and providing an appropriate structure for differentiation and professionalism specifically in adopting modern fraud investigation approach such as the use of forensic accountants. Furthermore, it was observed with kin interest, in the analysis, to observe what majorly contribute the current state of the EFCC?

Table 4.14

Matrix of the factors leading to poor performance of the EFCC

Challenge	Factors	Responsibility
Legal system	Insufficient Judges and courts	Government
	Perceived corruption,	
	Influence of defense counsels,	
	Continuous delays	
Funding	Single source from government	Government
	Insufficient for the need of the EFCC	
Staffing	Insufficient, Incompetent and dominated by police	Govt./Management
PEPs	Political interference,	Political class
	Bribing judicial system, and Using lawyers to delay court process	
Political will	Low budgetary allocation,	Government
	Political interference,	
	Staffing and Leadership choices	
Police	Incompetence,	Government
	Perceived corruption,	
	Occupying top management team	
Negative public perception	Causing demonstration, Obstructing legal proceedings	Political class

4.4 Perceived Relevance of Forensic Accounting to the EFCC

Previous sections of this chapter enumerated on the performance of the EFCC and the major challenges encountered in achieving the mandate of the agency.

One of these difficulties hindering the performance of the EFCC is a lack of professional capacity in fraud investigation and relying on police investigative skills which were found to influence the performance of the EFCC negatively.

With regards to this, OECD (2008) argued the effectiveness of ACAs depends to some extent on the availability of specialized skills such as forensic accounting, financial experts and auditors. Suggesting that modern trend in fraud investigation depends on the use of forensic accounting skills in financial investigation, evidence gathering and expert opinion on cases of fraudulent practices. Hence, the perceived relevance of forensic accounting to the EFCC is collated from the views of the participants, especially, the operatives who have direct involvement in fraud investigation. Views were elicited from the participants especially the two interviewed forensic accountants. The majority expressed their positive opinions on the appropriateness of forensic accounting in the fight against fraudulent practices in Nigeria.

According to the participants, forensic accounting is perceived to help in simplifying complex financial transactions, depicting a thorough job of fraud investigation, reducing time taken to investigate cases of corruption, and transforming complex issue into a simpler form as observed in the following statements:

[...Forensic accounting helps to reduce complex financial information into something that you can see when it gets to court into a graphic, visual graphics that you can see and be able to say yes I understand what you are trying to explain (R05)].

[...To some extent forensic accounting has assisted because they go beyond the numbers and the records to the reality of the situations (R12)].

[...The team is very relevance because they are going to do it better than just an ordinary team because they have certain skills that others do not have (R10)].

[...It reduces the time it takes to investigate corruption (R05)].

[...to a very large extent it has demystified the bogus figures and present in a manner what the factual evidence that can be argued and defended (R12)].

Other identified relevance of forensic accounting to the EFCC includes the provision of expert opinion and witnessing during investigations and court hearing (Matson, 2016). They are perceived to go deep into investigations, interrogations and evidence gathering and in return provide expert witnessing to convince jurists of the charges labeled against the suspect. In support of this assertion, participant R05, and R08 have the following comments:

[...When you get to court, you should be able to present these data in a manner that the judge who is not an expert in the area of accounting can look at the information and follow the story you are trying to tell him or her and understand. At the end, you reach a judgment that is objective based the fact that you have presented before the court (R05)].

[...When it is time to give evidence in court, they are there assisting in a great deal (R08)].

In fact, it was gathered that forensic accounting covers all aspect of the EFCC's activities which revolves around investigations, interrogations, evidence gathering and providing an expert opinion in courts during court hearings. In analogy, considering the relevance of forensic accounting skill to fraud investigations, major law enforcement agencies, and anti-corruption commissions have employed the services of forensic accountants in their fraud investigation (FBI, 2014). For example, the FBI has acknowledged the role played by forensic accountants in tracing, profiling and tracking sources of fund alleged to be earned through illegal means (FBI, 2014). These were also disclosed by participants in the following comments:

[...Forensic accounting covers every area of our investigations process (R10)]

[...Most of the difficult part of financial crime investigation is identifying these crimes, and the only weapon you have is forensic accounting, and forensic accounting becomes relevant because you need evidence to proof your case (R11)].

[...All around the world, most law enforcement agencies have forensic experts (R08)].

These were similar to the findings presented by previous studies and the recommendation that the EFCC's performance can be improved by adopting forensic accounting in the fraud investigation (Augustine & Uagbale-Ekatah, 2014; Dada, 2014; Enofe et al., 2013; Gbegi & Adebisi, 2014). Thus, the relevance of forensic accounting to the achievement of the EFCC's objective has been emphasized by the research participants especially in investigation, prosecution and conviction of corrupt practices.

4.5 Adoption of Forensic Accounting by the EFCC

In the preceding section, the relevance of forensic accounting to EFCC was argued as important and essential in fraud investigation, interrogations, expert opinion and witnessing. Despite this belief, based on the discussions with participants and observations made, it was gathered that the agency lacks a competent Forensic Accounting Unit. Several issues were identified as contributory factors in this situation and are highlighted in following sub-headings.

4.5.1 Institutional Factors influencing the Adoption of Forensic Accounting

Organizational studies on evaluating organizational performance, structures, and strategic decision-making have acknowledged the role of institutional

factors. Primarily, the context in which an organization emerges influences the structure, strategies, decision-making process and organizational performance (Child, 1997; Seo, 2011; Tolbert & Zucker, 1983; Wolfe, 1994). This is because the environment provides both opportunities as well as constraints (Damanpour & Schneider, 2009).

With these assumptions and findings in mind, a systematic analysis of the data was done to identify the institutional factor influencing the adoption of forensic accounting in fraud investigation by the EFCC. Four patterns were identified from the data as presented in Table 4.15.

Table 4.15
Institutional factor influencing the adoption of forensic accounting

Categories	Influence	Participant %
Global trend in the use of forensic accounting	Positive	68
Reliance on external supports	Negative	50
Poor remuneration of employee	Negative	40
Insufficiency of funding	Negative	100

As can be observed from the data and presented Table 4.15 above, four factors or categories were identified under the contextual theme. The majority of categories depict negative influence on the adoption of forensic accounting by the EFCC. Explanations of these factors are given in the following sub-headings as deduced from the data.

4.5.1.1 Influence of Global Trend in Fraud Investigation

Modern approaches used in investigating corrupt practices are data mining and forensic accounting (Ravisankar et al., 2011) with forensic accounting having the highest effectiveness ranking among fraud investigation techniques (Bierstaker et al., 2006). This has influenced the demand for forensic accounting skills (Carnes & Gierlasinski, 2001). Hence, the decision to use forensic accounting in fraud investigation process by the EFCC seemed to be influenced by the global trend in fraud investigation process as explained in the following comments by participants:

[...All around the world, most law enforcement agencies have forensic experts (R08)].

[...EFCC needs to adoption forensic accounting in fraud investigation this is because the entire work has moved to forensic investigation, even the criminal investigation. We have to move with the current trend (R11)].

Accordingly, the growing relevance of forensic accounting to law enforcement agencies has been acknowledged by Federal Bureau of Investigation (FBI) and Singapore's Corruption Prevention and Investigation Bureau (CPIB) (FBI, 2014; Quah, 2009). Thus, global trend in the use of forensic accounting by other ACAs implies a positive impact on the EFCC's adoption of forensic accounting in its fraud investigation. A higher proportion (80%) of the participants believes that the EFCC cannot be left behind in the use of the modern approach to fraud investigation process especially the use of forensic accountants.

4.5.1.2 Reliance on External Experts from Sister Agencies

In setting up an Anti-Corruption Agency in Nigeria, professionals were drawn from various organizations to establish the present EFCC. These agencies include the Nigerian Police, Custom, Immigration, State Security Services (SSS) and Nigerian Drug Law Enforcement Agencies (NDLEA). Bank fraud examiners from the Central Bank of Nigeria (CBN) and the Nigerian Deposit Insurance Corporation (NDIC) were also used by the EFCC to provide services in areas of financial crime investigations. This is reflected in the following comments made by participants where they said:

[...We used to have seconded staffs from CBN and NDIC who are officers skilled in the area of forensic accounting, and they spent a number of years with us (R09)].

[...We also network with immigration, custom who send their staff. They help in the computation of cases involving tax avoidance, exercise duties and so on. They know how to crack those cases (R06)]

[...The issue is, in an informal way we do it because we have been tapping from the banking industry, we have Central Bank's examiners, and we have people from the SEC basically, that's what they do (R01)].

Therefore, reliance on these external organizations for investigative services seemed to have influenced the ways and manners in which the EFCC decides on the creation of a Forensic Accounting Unit. In other words, it is apparent that availability of external experts and heavy reliance on such expertise seemed to have negatively influenced the decision to create its own Forensic Accounting Unit in fraud investigation by the EFCC.

4.5.1.3 Staff Remuneration

Globally, there is high demand for forensic accounting services due to the shortages in the number of qualified forensic experts. It was reported that none

of the Nigeria Universities provides forensic accounting program (Efiong, 2012). It is assumed that higher demand for professional services will lead to higher professional fees and the demand for higher wages. In analogy, the chances of staff turnover cannot be ruled out. Staff remuneration was found to influence individual's decision to accept a job offer in an organization (Weng & McElroy, 2012). Consequently, the existence of better job opportunity elsewhere seemed to have impacted on potential and existing staff of the EFCC. This is confirmed by the analysis of data that a number of operatives of the EFCC have decided to take jobs elsewhere. While some participants further revealed their dissatisfactions with the conditions of service in the EFCC in the following comments regarding this issue:

[...I had offered to go places where they pay a lot of money than what EFCC does; a lot of people that are here wanted to be here but that shouldn't be taken for granted (R10)].

[...I know that most of my colleagues that were here, especially operatives, have gone, we are three forensic accountants now, one left (R10)].

[...You have to put up extra hours and working under pressure (R07)].

The above statements are indicative of lower remuneration package provided by the EFCC. Consistent with the above quotations, staff remuneration determines the adequacy and competency of manpower of the EFCC, especially the scarce forensic accountants. This, in essence, seems to negatively influence the creation and adoption of forensic accounting by the EFCC.

4.5.1.4 Insufficiency of Funding

There is a unanimous agreement in the views of the participants that financing is one of the biggest challenges that influences the adoption of forensic

accounting by the EFCC. In their opinion, participants believe that there is an insufficiency of funding which has affected the structure, staffing, performance and the creation of Forensic Accounting Unit in the EFCC. These are reflected in the following comments about the influence of funding on the creation of the Forensic Accounting Unit in the EFCC:

[...The worst and the greatest challenge is funding” (R11).]
[...when it comes to funding, there are a lot of issues” (R10)]
[...I think if we are given enough money to hire, the management might think about it and create it” (R08)].
[...Beyond that there is a need to have the right software that will enable them look at this record rapidly and get out information that is relevant to the investigation” (R05)].
[...The issue of training, this does not come as cheap. Sometimes these training require international certification and to be sufficient data forensic accounting analyst; you must attend certification training and international workshops. Most are done overseas. These things are not cheap you need funding” (R05)].

Therefore, the insufficiency of funding in the EFCC appeared to have affected the staff strength, competency as well as the motivation to forge forward. Drawing from the views expressed by participants, hiring experts, training of the few available ones, certification, and acquisition of modern equipment require budgetary allocation. These, in turn, have militated against the creation of a Forensic Accounting Unit by the EFCC.

Therefore, institutional factors such as the global trend in the use of forensic accounting, reliance on external supports, insufficiency of funding and poor remuneration were identified as militating factors in the adoption of forensic accounting as shown in Figure 4.4 below.



Figure 4.4
Institutional factors influencing the adoption of forensic in fraud investigation

The presentation in Figure 4.4 enumerates the institutional factors that affect the adoption of forensic accounting by the EFCC. As observed from the data, the decision to use forensic accounting in the investigation of corruption was influenced by the need for a modern approach to fraud investigation as used by similar established agencies. All the participants agreed on the relevance of forensic accounting to fraud investigation. This pushed the EFCC to seek for forensic accounting services elsewhere to achieve its objective. Although the EFCC requires the services of forensic accountants, the influences of poor remuneration have affected the number of forensic accountants in the commission largely to the insufficiency of funding to recruit adequate forensic accountants.

4.5.2 Influence of Organizational Factors on Adoption of Forensic Accounting

The preceding section identified the impact of institutional factors such as global best practices, seeking external support and funding challenges on the adoption of forensic accounting. In this section, organizational factors indicate

an apparent influence on the decision to adopt forensic accounting. Previous studies have found and reported the influence of organizational size, complexity, specialization, differentiation and external integration on organizational adoption decisions (Damanpour & Schneider, 2006; Kimberly & Evanisko, 1981). These were used as initial startup codes and were refined on several times to arrive at four categories depicted in Table 4.16.

Table 4.16

Organizational factors influencing adoption of forensic accounting

Categories
Formal arrangement/structure of EFCC
Management attitude
Nature of the operations of the EFCC
Inadequacy of manpower

The formal organizational arrangement of the EFCC is decentralized and hence, it permits the establishment of units, departments and sections including the creation of a forensic accounting unit. Management attitude depicts both positive and negative influence. However, the inadequacy of personnel has negatively influenced the adoption of forensic by the EFCC. These are elucidated in the following Figure 4.6 and subsequent subheadings.

As presented in the above Figure 4.6, the adoption of forensic accounting by the EFCC is partially influenced by the insufficiency of personnel (organizational size), particularly the insufficient forensic accountants in the EFCC; the operational requirements of fraud investigation, prosecutions and expert services in investigation and litigation process (professionalism); structural arrangement of the EFCC which depicts decentralized structure (functional differentiation) and the general attitude of management and the operatives of the EFCC towards forensic accounting services (background characteristics).

In other words, Figure 4.6 below indicates observed the negative impact of the insufficiency of forensic accountants, the unfavorable attitude of management and operatives of the EFCC; and the positive influences of organizational structure and operational requirement of the EFCC on the adoption of forensic accounting in fraud investigation.

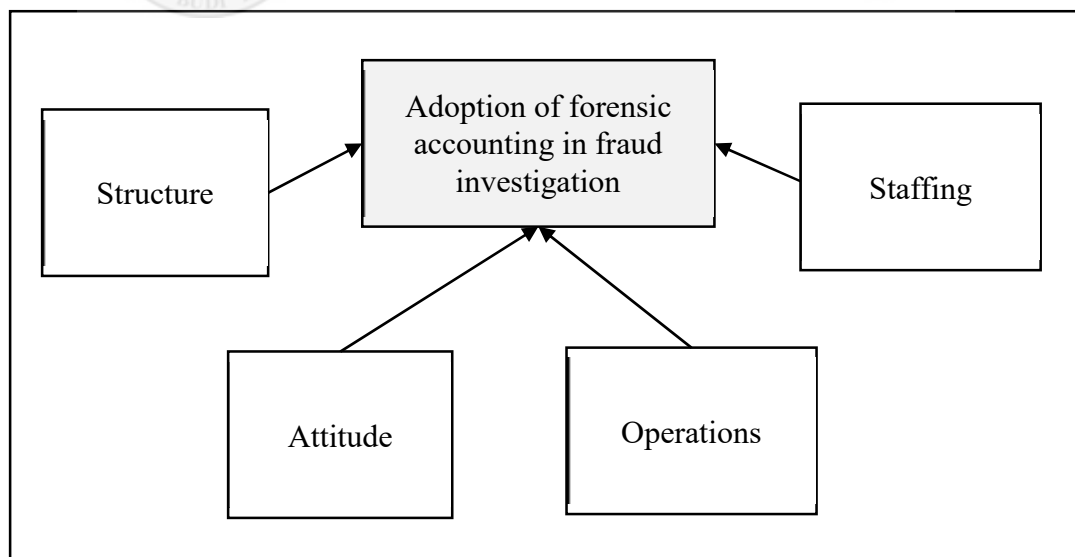


Figure 4.5
Organizational factors influencing the adoption of forensic accounting

4.5.2.1 Structural Development of the EFCC

Previous studies have argued that structural characteristics of organization significantly influence its decision making (Chor et al., 2015; Kimberly & Evanisko, 1981). In line with this assertion, the analysis of documentary evidence indicates that the structure of the EFCC is designed to provide decentralization. The Five-Year Strategic Plan (2013-2018) of the EFCC shows that there are five (5) major directorates which are functionally differentiated to achieve a given target. Departments, divisions and units are created based on demand as the organization grows. Initial codes were developed on the basis that organizational maturity, age or level of development and functional differentiation influence the decision to adopt innovation and new ideas (Kimberly & Evanisko, 1981). In supports of these presumptions, interview transcripts were analyzed depicting the level of development of the EFCC and their influence on the adoption of forensic accounting as reflected in the following comments by participants:

[...When the EFCC was created, there was nothing on the ground. No offices and no budget no nothing (R01)]

[...The EFCC is just growing, and as we are moving, more ideas come, and we deal with them (R05)]

[...Since we have attained some level of maturity we are now diverging into specialization, specialization can now come in” (R01)].

The above statements are examples of quotations that indicate age (maturity), specialization and level of development as some of the factors that the EFCC considers in the creation of departments, units and structures. Collating the views regarding the adoption of forensic accounting by setting up a separate

Forensic Accounting Unit, the participants believe that the Commission will get to that stage as explained by participant R04:

[...maybe it is not yet time to have a separate unit for that. But as time goes on I think it will be independent. We are still growing (R04)].

4.5.2.2 Management Attitude Towards Forensic Accounting

Perceptions regarding the relevance of forensic accounting in fraud investigation and the availability of experts were observed to have impacted on the attitude of the management towards the adoption of forensic accounting in fraud investigation. The role of management in any organization is to give directions in achieving organizational objectives (Hambrick & Mason, 1984). In doing so, it was evidenced that management is responsible for the creation of departments and sections. Therefore, the decision to create or adopt forensic accounting in fraud investigation lies with the management as revealed, as an example in the following comment.

[...Basically, I think it is a management decision to do that. But I believe that it will be much better to have them in one place (R07)].

The data also indicate that the attitude of the participants and the management were favorable towards the relevance of forensic accounting in fraud investigation. All the participants feel that forensic accounting is essential in fraud investigation considering the skills they have, recent development and the need for expert analysis of complex financial transactions. These are reflected in the comments made by participants during the interview sessions as presented below:

[...It is very relevance because we are going to do it better than just an ordinary team because we have certain skills that they don't have" (R10)].

[...Most of the difficult part of financial crime investigation is identifying these crimes and the only weapon you have is forensic accounting (R11)].

[...It reduces the time it takes to investigate (R05)]

[...So forensic accounting helps to reduce complex financial information into something that you can see when it gets to court into a visual graphics that you can see and be able to say yes I understand what you are trying to explain" (R05)].

[...We normally call them as expert witness to provide expert opinion" (R06)]

[...Well if we have them on the ground, they are expert. Because all around the world most law enforcement agencies have forensic experts (R08)]

[...Specialization is good in law enforcement. You can not be a jack of all trade; this is where you need special skills (R09)].

However, a number of participants have criticized the role played by the management. Specifically, in terms of staffing, funding and structuring of the EFCC. It was argued by the participants that the management makes the decisions regarding resource allocation and the creation of units. Some participants described the Forensic Unit as a mere document examination unit rather than a real Forensic Accounting Unit as explained by the following participants:

[...The department (forensics) is just operating by name because it is just documentation or what you call document verification. But the real thing is to have a Forensic Accounting Unit. Probably they will have soon. It is a problem for us (R03)]

[...Let me say that we have a forensic unit. That forensic unit cannot be confused with Forensic Accounting Unit; the forensic unit which you are referring to is the one that deals with the investigation of forged documents, forged signatures, forged handwriting and counterfeiting money (R06)].

Striking evidence emerging from the data analysis was the perceived role of the forensic accountants in the EFCC. Accordingly, a participant described the

forensic accountants as supporting staff only needed in money laundering cases indicating the lack of awareness and underrating of the relevance of forensic accounting. This is reflected in the following comments:

[...They are more or less supporting staff, and when you take money laundering out of it, forensic accounting has nothing to do (R08)].

Subsequently, the lack of awareness of the relevance of forensic accounting and the reliance of Police experts indicate the influence of individual perception and interest making it difficult to create a Forensic Accounting Unit in the EFCC. It was evidenced from the data that efforts to create the unit have been negatively influenced by attitude and interest as explained in the following comments:

[...It is practically interest because if that department is created a better part of the job of the investigation will naturally go to the experts and the Police do not want that (R03)].

[...We do verbal and written communication, and none of them has been taken off. We are hoping that when a new Director Operation comes, the Operations will change (R11)].

[...The next challenge is the individual perception especially the management toward the forensic accounting before they used to take advice from anybody on how to crack a case. Today some people put themselves up there and think they know everything (R11)].

[...I believe if we are given enough money to hire, the management might think about it and create it (R08)].

Thus, the adoption of forensic accounting has been influenced partially by lack of awareness of the relevance of forensic accounting in fraud investigation, attitude and interest of individual power holder in the EFCC. There is an apparent indication that the decision to create Forensic Accounting Unit by the EFCC in its fraud investigation is a management responsibility which seemed to be influenced by individual background characteristics.

4.5.2.3 Nature of Operations of the EFCC

Another factor influencing the adoption of forensic accounting by the EFCC relates to the consideration for a thorough job in fraud investigation as well as the need for scientific supports. Other consideration includes the urgency of surfacing issues requiring particular attention as observed in the following views of participants:

[...The need for forensic accounting and financial analysis came about by the very fact and by the nature of the kind of crime that we investigate, so early in the life of the EFCC, the founding Chairman Mr. Nuhu Ribado recognized the need for scientific supports in our investigation and immediately set up, sometime in 2004, forensic unit (R05)]

[...As I mentioned, like the extractive industry unit, we saw the need to have a section to handle issues and cases emanating from the oil sector. Also, we have the pension section due to the recent cases in the country. You see, the EFCC is just growing, and as we are moving, more ideas come, and we deal with them (R02)].

[...Right now we have a team of forensic accounting and financial analysis and basically, what they do is to assist us to look at those complex financial transactions (R05)].

The comments of the research participants reveal the reason for the creation of units and department. These include the formation of a team of forensic accountants for the thorough and scientific job, particularly when there are complex financial transactions. Also, as the EFCC grows, it shall consider the creation of a Forensic Accounting Unit like another unit in the EFCC.

4.5.2.4 Inadequacy of Workforce in the EFCC

One of the observed challenges faced by the EFCC is the lack of adequate personnel in the achievement of the mandate of the EFCC. The nature of the operational activities of the EFCC requires a physical examination of

documents, interrogation, and arraignment of suspects in courts. However, it was gathered from the views of the participant that EFCC lacks the adequate manpower to discharge its responsibilities effectively. This has also influenced the creation of a Forensic Accounting Unit in the EFCC as observed by the interviewees:

[...We have the issue of manpower, especially in the forensics. So, staffing might be the reason (R08)]
[...When it comes staffing it the most understaffed department in the whole of West Africa (R11)].
[...We are only three now; one left to another organization (R10)]
[...You know you cannot send anyone to the unit without having the knowledge of forensic accounting (R12)].

The above quotations indicate the negative influence of the insufficiency of forensic accountants in the creation of a Forensic Accounting Unit in the EFCC. However, it was gathered that efforts have been made to recruit more forensic accountants to meet the staffing challenge in the area of financial crime investigations. This is reflected in the disclosure by the participants as follows:

[...We had to begin building capacity in this area (R05)].
[...We have even a few months ago, recruited, there was a recruitment process, recently we have interviewed forensic accountant; I think the person has started working by now or will soon be operating that place” (R01)].
[...I think we were about to have a new head of forensics who has a PhD” (R10)].
[...It’s going to be better, different, bigger more experience than what have now” (R10)].

Therefore, the insufficiency of personnel in the EFCC is observed to have impacted on the decision to adopt forensic accounting in fraud investigation. Thus, the efforts to train and recruit more forensic experts unveil that staffing is a serious challenge to the creation of Forensic Accounting Unit in the EFCC.

4.5.3 Summary of the Factors Influencing the Adoption of Forensic Accounting

The process of adopting forensic accounting through the creation of a Forensic Accounting Unit in the structure of the EFCC was found to be influenced by both institutional and organizational factor. Primarily, the effects of the insufficiency of funding for staffing and remuneration were found to negatively influence the creation of a Forensic Accounting Unit in the EFCC's organizational structure. However, the nature of the operations of the EFCC requires the services of forensic accountants as practiced by most ACAs pushing the EFCC to seek the services from other organizations. Although the structural arrangement of the EFCC permits the creation of the departments, units and sections, attitude and interest of some individual leaders have undermined the establishment of the unit. These explain the significant influence of institutional and organizational factors on the decision to adopt forensic accounting in fraud investigation of the EFCC.

Illustrating the effects of institutional factors on the adoption of forensic accounting, Figure 4.6 shows that external integration and communication have a positive impact on the adoption of forensic accounting while poor remuneration due to the insufficiency of funding has adverse effects on the creation of Forensic Accounting Unit in the EFCC. Furthermore, functional differentiation, professionalism and organizational size, as well as management attitude, were observed from data analysis to have impacted strongly in the creation of a functional forensic accounting unit in the EFCC.

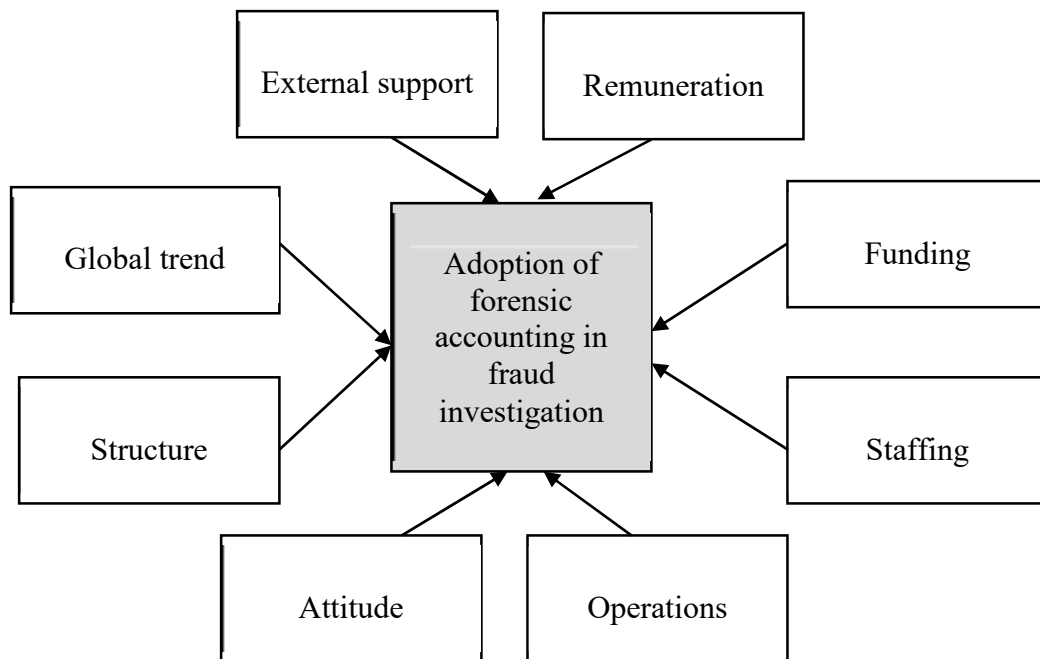


Figure 4.6
Factors influencing the adoption of forensic accounting in fraud investigation

4.6 Summary of the Chapter

In this chapter, the performance of the EFCC was assessed on two key indicators comprising of operational activities of the EFCC and the Nigerian score on CPI. It was observed that although a substantial number of petitions were received by the EFCC, investigated and prosecuted, the performance of the agency, in terms of conviction rate, was found to be below expectation with as low as 2.5% conviction rate. This poor conviction rate was corroborated by the Nigerian ranking on the CPI which has remained in the threshold of corrupt countries in the world.

The poor performance of the EFCC was caused by the absence of political will influenced by the PEPs which has negatively influenced the effectiveness of the judicial system, the sufficiency of funding and the adequacy of personnel. Collectively these have affected the performance of the EFCC thereby creating

negative public perceptions. Thus, blaming the government for lack of commitment towards the fight against corruption and the management of their failure to adopt forensic accounting in fraud investigation despite recognizing its relevance to the investigation, evidence gathering and expert services.

The adoption of forensic accounting in fraud investigation by the EFCC was partially influenced by external communication in the use of forensic accounting, reliance on external supports, and poor staff remuneration due to the insufficiency of funding. Functional differentiation, organizational size and attitude were identified as the major organizational factors influencing the adoption of forensic accounting in fraud investigation by the EFCC.

Therefore, the adoption of forensic accounting in fraud investigation by the EFCC, being the focus of this study, were explained by the perceived influences of institutional and organizational factors. Thus, indicating that no one single factor could explain the current state of the EFCC and its efforts in adopting forensic accounting in fraud investigation. Hence, depicting the interplay between institutional dynamic and organizational contingencies which form the basis of discussions in the subsequent chapter.

CHAPTER FIVE

DISCUSSION OF FINDINGS AND ASSOCIATED THEORIES

5.1 Introduction

In the preceding chapter, the data gathered through semi-structured interviews, institutional documents and non-participatory observations were analyzed and triangulated to reflect the findings of this study. The analysis followed a sequential flow of interpreted views of the research participants drawn from the three-hierarchical level of the EFCC (directors, heads of department and operatives), triangulated with EFCC's annual report and budget as well as published records that are relevant to this study. The main aim is to identify the perceived factors influencing the adoption of forensic accounting in fraud investigation of the EFCC.

In addressing this issue, this study investigated, using qualitative case study approach, the perceived factors influencing the adoption of forensic accounting in fraud investigation. Guided by previous literature and theoretical postulations three themes were conceptually identified. These are institutional, organizational and individual factors. The focus has been on the identification of the influences of these perceived factors, under each of the themes, on the adoption of forensic accounting in investigation process to enhance the EFCC's overall effectiveness.

In order to serve this purpose, the research objectives were achieved via a case study approach as demonstrated in chapter three and presented in the form of findings in chapter four. The current chapter further discusses the results of

research, linking them with the associated theoretical postulations to derive a qualitative report.

5.2 Overview of the EFCC as an Anti-Corruption Institution

It is an undeniable fact that corruption, a type of fraud, is a major global problem with adverse effects on developing nations. Various approaches have been advanced to tackle corrupt practices in these nations (Heilbrunn, 2004; Quah, 2013). The approaches include the enactment of anti-corruption laws and the establishment of ACAs (Desta, 2006; Heilbrunn, 2004; Persson et al., 2013; Quah, 2009). It is argued that the successes recorded by the ACAs in Singapore, Hong Kong and Botswana have encouraged the creation and maintenance of these agencies across the globe including developing countries of Sub-Sahara Africa (Gregory, 2015; Meagher, 2005; Odemba, 2010; Quah, 2010).

In Nigeria, one of the efforts made by the government to fight corruption was the establishment of ACAs (Ogbu, 2010; Shehu, 2015). This was in response to the prevalence of economic crimes such as Advance Fee Fraud (AFF), Public Sector Corruption, and Money Laundering (Adams & Nya, 2015; Otusanya, 2011). The consequences include a reduction in Foreign Direct Investment (FDI), difficulties of doing business and the negative perception about the country in the League of Nations (Morris & Aziz, 2011). Subsequently, the EFCC was established in 2003 by the Economic and Financial Crimes Control Act 2002 with an objective of minimizing the perceived level of corruption through the investigation, prevention and prosecution of economic and financial crimes (FGN, 2002).

The EFCC is structured in a similar fashion to ICAC in Hong Kong, with three (3) main and two (2) supporting directorates. These are the operation, legal and prosecution, public affairs, the administrative directorates and the EFCC Academy. Administratively, the EFCC is headed by an Executive Chairman, not below the rank of an Assistant Commissioner of Police (ACP), assisted by directors, heads of the department and sectional heads (EFCC Act, 2004). The EFCC has a total staff strength of 1,984 (EFCC, 2013) with a higher proportion of police officers, especially at the upper echelon (Shehu, 2015).

In furtherance of its objective to minimize the perceived level of corruption in Nigeria, the EFCC is mandated to investigate all forms of economic crimes by adopting measures to identify, trace, freeze, confiscate or seize proceed derived from financial crimes (FGN, 2004). In the discharge of these responsibilities, the EFCC's functions start with the receipt of public petition (Akume & Okoli, 2016). It then causes preliminary investigations into the various complaints received that fall within the jurisdiction of the EFCC. The aim is to ascertain whether the allegation deserves further prosecution, institute a court proceeding and to determine the case in question. The EFCC performs these functions within institutional setting comprising of multiple agencies. These include all the Nigerian law enforcement agencies and the Nigerian judiciary (Akume & Okoli, 2016; Ogbu, 2010; Shehu, 2015). However, Akume and Okoli (2016) maintained that the power to fast track the speedy trial of corruption cases resides with the courts. Additionally, Human Right Watch (2011) and Shehu (2005) maintained that the success of the EFCC was contingent on the approach adopted in fraud investigation.

5.3 Current Practices in Fraud Investigation by the EFCC

The provision of Section 6 of the EFCC Act (2004), enumerated the functions of the EFCC (FGN, 2004). These include the investigation of all forms of financial crimes including advance fee fraud, money laundering, counterfeiting and illegal charge transfers. Others offenses include futures market fraud, fraudulent encashment of negotiable instruments, computer credit card fraud, and contract scam (FGN, 2004). In so doing the EFCC is mandated to adopt measures to identify, trace, freeze, confiscate or seize proceeds derived from economic crimes and terrorist activities (FGN, 2004; Shehu, 2005; Sowunmi et al., 2010).

The current approach to fraud investigation by EFCC begins with the receipt of public petitions (Akume & Okoli, 2016). Preliminary investigations are then carried out on the received petitions to ascertain the merit of the allegations and the associated legal implications. At this stage, petitions are classified into three (3) groups (EFCC, 2013). Firstly, cases of civil matters are transferred to police or the complainants are advised to go to court. Secondly, cases that lack merit and are outside the jurisdiction of the EFCC are rejected. Finally, the petition that falls within the mandate of the EFCC is further investigated. The aim is to ascertain whether the accused person has committed the said offense (Akume & Okoli, 2016).

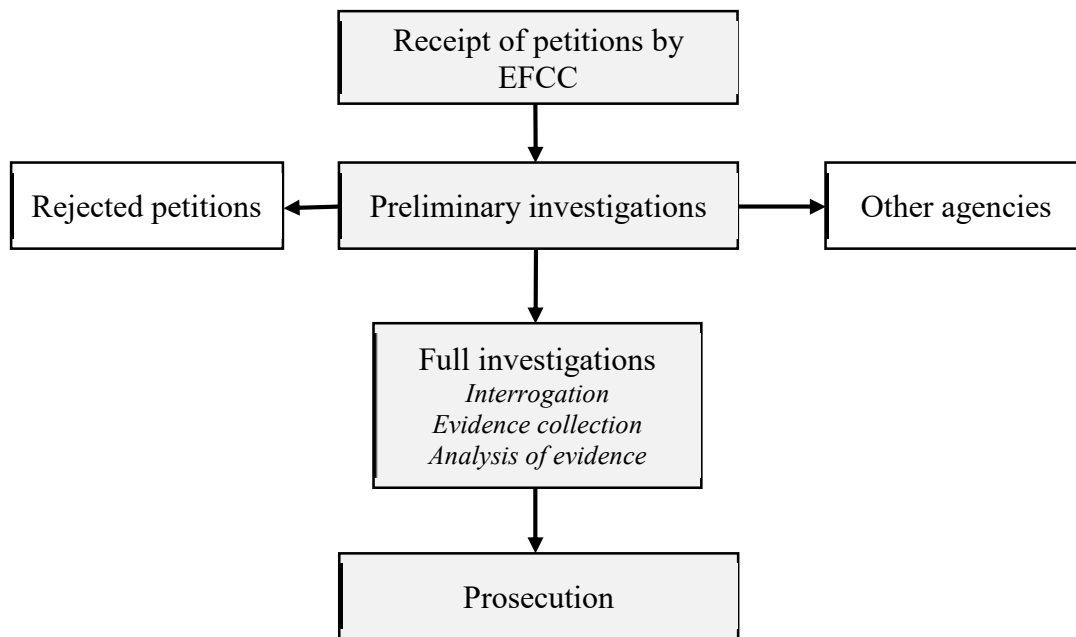


Figure 5.1
Current practice of fraud investigation by EFCC

As presented in Figure 5.1, fraud investigation by the EFCC begins by receiving public petitions. This constitutes the major beginning of the EFCC's anti-corruption fight. In addition, the EFCC is empowered to cause investigations into the properties of any person if it appears to the EFCC that the person's lifestyle and extent of the properties are not justified by his source of income (FGN, 2004; Shehu, 2015).

The second stage in the fraud investigation, as interpreted from the discussions, involves the gathering of evidence through documentary sources or interviewing of suspects. Other approaches include the interrogation of the accused and interviewing principal witnesses. The collected evidence is analyzed to arrive at a conclusive decision on whether to prosecute the case. At this stage, sometimes, meetings are conveyed between the investigators, prosecutors and the EFCC's lawyers. In addition, external professionals are

sometimes invited to provide a professional opinion. The aim is to address any grey area that might weaken the prosecution process. The legal and prosecution department is responsible for the prosecution of offenders (FGN, 2004; Shehu, 2015).

However, the findings of this study show that there is an apparent manipulation of the procedure at various stages by the political class and or management of the EFCC (Human Right Watch, 2011). Political interference and management compromise were identified as challenges to a successful investigation process. Additionally, it was observed, from the findings, that there is an insufficiency of competent and skillful personnel. Similarly, the higher proportion of police investigators and a lower proportion of forensic accountants in the EFCC has also been contributing to the ineffective investigation process. This ineffective fraud investigation and other contingencies have influenced the overall performance of the EFCC.

Throughout the whole process as reflected in Figure 5.1, in summary, the following weaknesses were apparently identified as observed via documentary evidence, observations and interviews conducted:

- i. Apparent delays in legal process due to inefficiencies in the judicial process affecting the timeliness and the relevance of admissible evidence;
- ii. An observed lack of government commitment towards the EFCC and political interference in the fraud investigation;

- iii. Insufficiency of funding to the EFCC and effecting all aspects of its operations including the fraud investigation;
- iv. Perceived negative public perception towards the agency, and the general lack of cooperation from the public to provide information relevant to fraud investigation;
- v. Gross insufficiency of professionally qualified personnel and the partial adoption of forensic accounting leading to improper investigation process; and
- vi. The presence of police as personnel and top management of the EFCC, thereby dominating the leadership positions and the investigation process.

Further description on the weaknesses will be discussed under the upcoming sections on effectiveness and challenges of the EFCC.

5.4 The Performance of the EFCC as an Anti-Corruption Agency

In describing the current state of the EFCC, it could be recalled that three (3) sources of data were utilized. Institutional documents were collected, interviews were conducted, and non-participatory observations were made. These data were analyzed qualitatively and triangulated among data sources (documentary, observations, and interviews) as well as among the interview participants' transcriptions. The categories identified and interpreted from the data were in line with the approach employed by previous research works (Olowu, 1999; Quah, 2009, 2015a) which reveal two (2) performance indicators. The evaluation was based on the EFCC's operational activities (Olowu, 1999; Quah,

2009) and the Nigerian ranking in the global Corruption Perception Index (Quah, 2015a; Transparency International, 2015).

5.4.1 Nigerian Ranking on Corruption Perception Index

Transparency International's Corruption Perception Index (CPI) has ranked Nigeria among the most corrupt countries in the world (Transparency International, 2004, 2014). According to the annual reports, Nigerian efforts to minimize the perceived level of corruption has not significantly improved (Transparency International, 2015). Despite the presumption that democracy ensures accountability and minimize corruption (Doig, 1995; Jain, 2001), this has not changed the Nigerian status on the CPI (Agbiboa, 2014).

As illustrated in chapter one Table 1.1, Nigeria has severally been ranked among the most corrupt countries in the world. Further analysis of Table 1.1 shows that from 1996, when Nigeria first appeared on the CPI, it was ranked most corrupt country in 1996, 2000 and 2002. It was also classified as the second most corrupt country in 1997, 1999 and 2001. Although the Nigerian ranking on the CPI slightly improved between 2006 to the recent 2015, the country is perceived to be among the highly corrupt countries in the world.

Furthermore, reference to the presentation in Table 4.9 of chapter four, Nigerian CPI was compared to Botswana, Malaysia and South Africa. The Table 4.9 shows Nigeria having lowest CPI when compared to the three countries listed in Table 4.9. The three (3) countries are considered developing countries. Whereas, Nigeria and South Africa are Africa's biggest nations with higher

economic growth. However, Nigerian ranking as a corrupt country is higher than these countries whose ranking have been above 50th position.

In addition, as can be observed from Figure 4.2, Nigerian score on CPI has been below the average of 5.0. The implication of this score shows that despite the creation of EFCC in 2003 and its operational activities, Nigeria has remained among the most corrupt countries in the world. Accordingly, Quah (2009) argued that the effectiveness of country's ACA can be evaluated by making reference to the CPI score. The implications of these scores and ranking are the general perception of Nigerian as being extremely corrupt. The attendant effects are low FDI and perceived difficulty of doing business (Morris & Aziz, 2011). Other associated effects are economic inequality, poverty and a higher mortality and illiteracy rates (Bassey et al., 2013; Olken & Pande, 2012). Thus, doubting government efforts and the impact of the operational activities of the EFCC on corrupt practices in Nigeria.

5.4.2 Operational Performance of the EFCC

In buttressing this claim, the current study adopted the approach used by Olowu (1999) and Quah (2015a) to describe the operational activities of the EFCC. In so doing, data regarding operational activities of the EFCC were sourced from the annual reports of the EFCC and supported by the views and opinions of the research participants being insiders and knowledgeable individuals. These were the number of public petitions, investigations and prosecutions of corruption in Nigeria. The choice of these three performance indicators was influenced by literature suggestion and the availability of data. Previous studies have used

same yardstick in benchmarking the performance of ACAs. In chapter four, Table 4.10 summaries the operational performance of the EFCC.

The number of petitions received by the EFCC, as contained in Table 4.10, shows increase of 14% between 2010 and 2011 and declined by 36% between 2011 and 2012 and again rose by 23% between 2012 and 2013. This increased in the number of petition may be attributed to increased awareness on the activities of the EFCC and the confidence bestowed on the EFCC. It is therefore, apparent that the EFCC has been successful in terms of the petitions received from the public despite the decline in the number in 2012. The declined in the number of petition may be accounted by the delays in the legal process or other factors unidentified by the current study.

The second operational performance indicators were the number of cases investigated by the EFCC. Investigation of fraud is one of the major functions of the EFCC. This is because the outcome of the investigation process will determine the actions to be taken by the EFCC. As illustrated in Figure 5.1, two types of investigation processes are conducted by the EFCC. The first phase of the investigation process refers to preliminary investigation. The aim was to identify genuine cases of fraud that will require further in-depth investigation. In line with this, Table 4.3 classified the petitions into three groups. The total of 25,522 petitions, 6,596 were transferred to other agencies and 5,367 were rejected by the EFCC. The EFCC investigated 13,553 representing 53% of the petitions received within the scope of the report. Thus, signifying the efforts of the EFCC in fraud investigation.

The third measure of output was the conviction rate. The analysis of the conviction statistics shows that 339 cases were successfully convicted. This figure represents 2.5% conviction rate. This indicates poor performance as regards the prosecution of corrupt practices in Nigeria when compared to Botswana DCEC's performance with a conviction rate of 80% (Olowu, 1999), Hong Kong ICAC conviction rate of 83% (Quah, 2009) or Singaporean CPIB's conviction rate of 97% (CPIB, 2015). This signifies ineffectiveness of the EFCC, in tackling systemic corruption in Nigeria. Therefore, confirming the CPI ranking of Nigeria as a highly corrupt country (Transparency International, 2004) and depicting the failure of the EFCC to fight corruption in Nigeria (Umoh & Ubom, 2012).

5.5 Perceived Challenges of the EFCC

The findings of this study also indicated ineffectiveness of the EFCC in terms of conviction rates. This was perceived to be attributed to 1) institutional settings; 2) organizational contingencies; and 3) the adoption of forensic accounting in fraud investigation. Accordingly, Quah (2009) claimed that the effectiveness of ACAs is dependent on the existence of comprehensive anti-corruption laws; the impartial implementation of the anti-corruption law and sufficient personnel and resources. Additionally, Meagher (2005) hinges the effectiveness of ACA on sufficiently qualified and skillful personnel. OECD (2013) argued that the effectiveness ACAs is dependent on the existence of professional with adequate skills in financial accounting, auditing and forensic accounting. Consequently, the EFCC has been struggling with the prevailing circumstances posed by what can be generated by this study as 1) institutional;

and 2) organizational challenges (Doig et al., 2007; Persson et al., 2013; Shehu, 2015).

5.5.1 Perceived Institutional Influences on the Effectiveness of the EFCC

The institutional setting of the EFCC, as a product of legislation, permits the EFCC to cause an investigation into alleged cases of economic and financial crimes and prosecute such offenses before a Federal High Court or a court of higher jurisdiction (FGN, 2004). The power to impose sanctions lies with the court and judges (Akume & Okoli, 2016; Okogbule, 2006; Shehu, 2015). Equally, important to the success of EFCC is the degree of political will translated into the independence of the EFCC and the sufficiency of resources (Gregory, 2015; Quah, 2015a).

5.5.1.1 Perceived Inefficiency in the Nigerian Legal Systems

The operational activities of the EFCC require collaboration between the EFCC and other agencies. One of the principal agency to the fight against corruption is the Nigerian legal system. As argued by Oke (2014) and Akume and Okoli (2016), the mandate of the EFCC begins with investigation, arrest and ends with charging accused persons to court. The power to convict corrupt offenses resides with the courts. Along this line, Meagher (2005) and Olowu (1999) posit that an inefficient judicial system affects the effectiveness of ACAs by causing unnecessary delays and may be manipulated by the corrupted elite. Consequently, cases of corruption instituted by the EFCC have being lingering as long as ten (10) years in the courts without being concluded (EFCC, 2013; Ogbu, 2010; Shehu, 2015).

The delays in the court process have been attributed, firstly, to the insufficiency of judges who have to hear cases brought them on a daily basis and responding to national assignments. This is also associated with the fewer number of Federal High Courts in the country. Secondly, there exist perceived level of corruption in the judiciary where some judges are bribed to deliver or delay judgments especially corruption cases involving PEPs. This is confirmed by the recent sacking of seven (7) Federal High Court judges (Punch newspaper, 2016). Thirdly, the ambiguities in the Nigerian laws provide grounds for discretion on punishments. Fourthly, the role played by defense attorneys who explore the ambiguities in the Nigerian laws to buy time through frivolous application (Oke, 2014; Shehu, 2015). Finally, there is perceived ineffectiveness in the investigation process of the EFCC to provide adequate and convincing evidence to court. In some cases, the court is left with the option of throwing out the lodged prosecution. The Nigerian judicial system has also been described as inefficient in discharging corruption cases, thereby making the EFCC ineffective (Ogbu, 2010; Shehu, 2015). Therefore, the ineffectiveness of the EFCC is partially influenced by the slow nature of the judicial process due to the inefficiencies in the justice system.

5.5.1.2 Absence of Political Will

The inability of the EFCC to achieve significant conviction rate was also associated with the absence of political will on the part of the government. Political will is argued by Quah (2009, 2014, 2015b) and Brinkerhoff (2000) as the most important ingredient for an effective anti-corruption fight. With regards to this, political will was referred, firstly, to the commitment of the

government to provide sufficient funding for the EFCC. Secondly, it guarantees the independence of the EFCC from political interference in its operations, especially corruption cases involving PEPs. This agrees with previous studies that effectiveness of ACA depends on government commitment to tackle corruption (Persson et al., 2010; Quah, 1995, 2015c). Along this line, Quah (2015a) claimed that the effectiveness of CPIB was largely due to the level of political will of the Singaporean government which is reflected in the provision of adequate budget and personnel. This is contrary to the current state of the EFCC especially with regards to the identified political interference on the investigation process and the adequacy of the budget to the EFCC.

5.5.1.3 Insufficiency of Funding for EFCC

The preceding section above described the absence of political will as a major challenge to the war against corruption. One of the evidence of the absence of political will is shown in the budgetary allocation to the ACAs (Persson et al., 2013). Along this argument, an average of \$67 million annual budgetary allocations to the Nigerian EFCC was observed. When compared to Hong Kong ICAC's \$85 million, or CPIB \$20.8 million (Quah, 2009, 2015a), the EFCC's \$67 million budget allocation is considered inadequate, especially given the widespread corruption and the Nigerian population of over 180 million people. This provides an average per capita expenditure of US\$0.38 as against CPIB's US\$4.00 (Quah, 2015a). The insufficiency of funding was found to deter the achievement of the anti-corruption fight (Persson et al., 2010, 2013).

The insufficiency of budgetary allocations affects virtually every aspect of the EFCC's operations, recruitment of personnel, acquisition of logistics, the cost of prosecutions and staff welfare. The findings show that the EFCC is incapacitated by the insufficiency of professionally qualified senior attorneys and forensic accountants mainly due to the financial implications associated with increased recruitment (Sowunmi et al., 2010). Accordingly, in order to meet this challenge, the Commission resorts to seeking the services of senior lawyers and professional accountants externally, costing the EFCC substantial amount of money (Shehu, 2005, 2015). This study found that the result of the insufficiency of personnel leads to an improper fraud investigation and prosecuting process leading to poor performance of the EFCC in tackling corruption in Nigeria.

5.5.1.4 Perceived Negative Public Perceptions on EFCC

The delays caused by the inefficient judiciary, insufficient funding and deficiencies in investigation and prosecution process, create doubt in the minds of Nigerian regarding the effectiveness of the EFCC. Higher expectations, the influence of PEPs and the poor conviction rate lead to negative public perceptions towards the EFCC. In consideration of the Nigeria system, Brinkerhoff (2000) and Treisman (2000) found that corruption is pervasive where there is weak governance, lack of accountability and absence of matured democratic system. This summarizes the Nigeria set up. According to Human Right Watch (2011), the context in which the EFCC operates poses a serious challenge of negative public perception. Hence, negative public perception and the Nigerian psyche are considered as obstacles to the achievement of the

EFCC's mandate. Therefore, institutional factors represented by the inefficiency in the judicial process; absence of political will as demonstrated by the insufficiency of funding; and the generally negative public perceptions are considered instrumental to the current state of the EFCC.

Table 5.1
Institutional factors influencing the performance of EFCC

No.	Factors
1.	Inefficient legal system caused by inadequate judges and courts, leading to delays in prosecuting corruption cases
2.	Absence of political will as depict in the insufficiency of budgetary allocation and political interference in the operation of the EFCC
3.	Inadequacy of funding affecting virtually every segment of the EFCC including recruitment of personnel and acquisition of logistics
4.	Negative public perception making the work of the EFCC difficult to achieve

The content of Table 5.1 listed the major institutional factor considered influential on the ineffectiveness of the EFCC as established from this research. As depicted in Table 5.1, the inefficient legal system caused by inadequate judges and courts, judicial corruption and the ambiguities in the laws lead to delays in the prosecution of corruption cases; insufficiency of budgetary allocation and political interference in the operation of the EFCC; and the

existence of negative public perception towards the EFCC. These four major institutional factors were perceived to have partially contributed to the adoption of forensic accounting in fraud investigation and the low conviction rate of the EFCC.

Therefore, the performance of ACA is partially explained by the conditions prevailing in the environment (Donaldson, 2001; Meyer & Rowan, 1977; Tolbert & Zucker, 1983). Along this line of argument, Kimberly and Evanisko (1981) and Damanpour (1991) have maintained that organizational context determines the structure, adoption and performance of an organization. In line with this finding, Gregory (2015), Olowu (1999) and Quah (1995) have linked the performance of ACAs to favorable institutional factors such independence, political will, funding and public supports. Similarly, this study found the influences of political will, funding and legal process on the current performance of the EFCC as institutional factors.

5.5.2 Organizational Factors Influencing the Effectiveness of the EFCC

According to the proponents of organizational theory (Child, 1997; Donaldson, 2006; Hambrick & Mason, 1984), organizational performance is partially explained by characteristics of the organization and the background of individual power holders in the organization. Organizational features such as size, specialization, differentiation, slack resources and complexity were used in explaining the effectiveness of organizations (Daft, 2001; Damanpour & Schneider, 2006; Wisdom et al., 2014).

A fundamental factor in the achievement of the EFCC's mandate was the issue of human resource as was the issue with other ACAs (Quah, 2015a). This study found three (3) major factors associated with the EFCC's human resource including gross insufficiency of manpower, inadequacy of professional forensic accountants, and management attitude.

5.5.2.1 Organizational Size

An organizational factor that determines the performance of ACA is the adequacy of personnel. Meagher (2005) argued that the success or failure of ACAs hinges on well-trained personnel including sufficient numbers with highly specialized skills. The EFCC has a total of 1,984 employees (EFCC, 2013). Further analysis of the staff strength shows that senior personnel constitute 7.2%, middle-level employee make up 44.2% the balance of 48.6% are junior-level workers. Previous studies have used staff-to-population ratio to assess the adequacy of personnel of ACAs (Quah, 2009, 2015a). Nigeria has an estimated population of 182 million. Therefore, the implication of this is a staff to population ratio of 1:90,725, this was considered inadequate to properly fight systemic corruption in Nigeria (Shehu, 2015). This ratio is compared to ICAC ratio of 1:5,863 and CPIB ratio of 1: 53,086. The higher proportion of junior workers also indicate lack of experience and professionalism in fraud investigation.

5.5.2.2 Professionalism in Fraud Investigation

The operational activities of the EFCC require specialized skills in fraud investigation. This is similar to the argument advanced by Meagher (2005) that

agencies in this field, depend on well-trained personnel with highly specialized skills. Specifically, this study found that there is a gross insufficiency of professionals needed for investigation process. Thus, insufficiency of professionals in the EFCC was observed to influence the current state of the EFCC. This was noted in the proportion of staff where the junior staff constitute 48.6%.

Consequently, the EFCC relies mostly on police personnel for fraud investigation. The heavy reliance of police in curbing corruption was reported to affect the performance of ACAs and were discouraged (Quah, 2015c). In other words, the police are perceived to lack the adequate capacity to investigate cases of financial crimes (Agbiboa, 2015), the fewer professionally qualified staffs have been perceived as immaterial in fraud investigation by the top management's lack of awareness of the importance of forensic accounting in fraud investigation. The observed effect is improper fraud investigation and the overall ineffectiveness of the EFCC.

5.5.2.3 Presence of Police as Personnel and Top Management

Hambrick (2007) and Child (1997) variously argued that performance of an organization is a function of top management characteristics. Individual background characteristics of power holders in an organization were found to strongly influence performance and outcome of an organization (Damanpour & Schneider, 2006; Mail, Mohamed, & Atan, 2006; Walker, Damanpour, & Devece, 2011). Top managers' background, job tenure, and age were found to

predict organizational performance and outcome (Díaz-Fernández, González-Rodríguez, & Pawlak, 2014; Vaccaro et al., 2012).

Since inception in 2003, the EFCC has been headed by an officer, not below the rank of Assistant Commissioner of Police or its equivalent (FGN, 2004). In other words, the past Executive Chairmen and the recently appointed Executive Chairman were chosen from the Nigerian Police. This has also influenced the proportion of the Nigerian Police in the upper echelon of the EFCC's structure. In fact, this study found that over 70% of those heading the strategic positions in the EFCC are police officers and more than 34% of the total staff strength of the EFCC is from the Nigeria police of which they represent over 40% of the operational staff (EFCC, 2013). In line with the argument posed by Manning (2005), most law enforcement personnel lack the required knowledge of forensic accounting and thus affecting the performance of ACAs including the EFCC.

Consequently, the majority of the decisions of the EFCC are also influenced by top management with a police background. This has contributed to the perceived ineffectiveness of the EFCC in fighting corruption in Nigeria (Agbibo, 2015). The arguments advanced by those criticizing the presence of the police were on three (3) fundamental issues. There is an apparent lack of capacity with the police in financial investigation process (Manning, 2005; Quah, 2014), and allegations of corruption (Agbibo, 2015). This confirmed the argument posed by Quah (2014, 2015) that the success of ICAC and CPIB were mainly due to their independence from the Police and internal corruption. However, the case of EFCC remains a different scenario as the majority of the

leadership of the EFCC is drawn from the Nigerian Police impacting negatively on its performance (Oke, 2014).

Additionally, this study also found that given nature of the Nigerian Police, which is built on command and directives, there is an apparent lack of dynamic leadership style. Adopting autocratic leadership style discourages creativity and employee morale (Damanpour & Aravind, 2012). Consequently, inhibiting creativity in fraud investigation and the adoption of advance fraud investigation. It was, therefore, found that one of the challenges faced by the EFCC is the absence of a dynamic, creative and motivational leadership. This agrees with the findings that a transformational leadership allows for innovative thinking and creativity in achieving organizational objective (Vaccaro et al., 2012). Subsequently, Vaccaro et al. (2012) argued that transformational or dynamic leadership allows for idealized influence, intellectual stimulation, inspirational motivation and attention which are essential ingredients for effective organizational performance.

Besides being inadequately staffed, lacking competence and dominated by the Nigerian Police, the EFCC personnel seemed to be unmotivated by the management (Oke, 2014). Specifically, remuneration and staff welfare packages were found to be unattractive compelling some operatives to resign or resort to fraudulent practices (BBC News, 2012). Thus, the EFCC lacks the essential personnel due to the insufficiency of budget to perform its anti-corruption functions effectively.

5.5.3 Partial Adoption of Forensic Accounting in Fraud Investigation

The EFCC is empowered to investigate, identify, track and freeze proceeds of financial crimes in Nigeria (Shehu, 2015). Therefore, investigating, identifying, tracking and freezing proceeds of financial crimes require special skills that combined knowledge of accounting, auditing and legal process (Manning, 2005; Prabowo, 2013). This is in line with the argument of Meagher (2005) who maintained that the success of ACAs is dependent on sufficiently well-trained personnel with specialized skills in fraud investigation.

This study found a partial adoption of forensic accounting in fraud investigation. The adoption of forensic accounting refers to the initiation, decision and implementation of forensic accounting investigation process (Damanpour & Schneider, 2006). In this study, adoption was conceptualized as the use of forensic accounting experts in fraud investigation by creating a forensic accounting unit in the structure of the EFCC. Currently, the EFCC has three forensic accountants who provide forensic accounting services to the EFCC. The discussion with the research participants show that a team of forensic accountants was created in 2013 after considerations for the need of scientific means of fraud investigation in line with global best practices and the complexity of financial crime investigation process.

In investigating financial crimes, the forensic accountant is vital in gathering relevant information in connection with the alleged fraud (Manning, 2005). Forensic accountants in the EFCC help in gathering relevant information through interrogation of suspects, obtaining a confession or written statement to

support the EFCC is establishing the fact of the case (Prabowo, 2013). Additionally, they help in analyzing complex financial records, identifying and tracking of funds sources and flows (FBI, 2014). They also prepare reports of investigations, conducts meetings with EFCC's lawyers to discuss cases and provide expert opinions (Manning, 2005). The aim of these processes is to assist jurist in understanding the allegation tabled before them (Albrecht et al., 2012).

In other words, this described the function of the EFCC which is the investigation and prosecution of financial crimes (Akume & Okoli, 2016; FGN, 2004). Hence, adoption of forensic accounting was found and expected to enhance the operational activities of the EFCC rather than relying on police personnel in investigating financial crimes which over the years have not been effective in achieving the roles and functions of the EFCC (Sowunmi et al., 2010). This study's finding on the relevance of forensic accounting concord to previous studies and strongly recommends the full adoption of forensic accounting in fraud investigation (Dada, 2014; Fakile et al., 2012; Izedonmi & Ibadin, 2012).

The findings of this study points towards the partial adoption of forensic accounting in fraud investigation. The partial adoption was found to be associated with accounted challenges of the EFCC in fraud investigation. Specifically, the study, through interactions with the participants, documentary evidence and observation, found that there is insufficiency of finance to recruit more professionals including forensic accountants. Other factors identified were the reliance on police-trained investigator for fraud investigation and the unfavorable attitude of top management, being police personnel, who define the

investigation process and decide on who to conduct the investigation process. The result is the partial adoption of forensic accountants in fraud investigation of the EFCC.

The findings of this study have also confirmed the need for forensic accounting skills in achieving the mandate of the EFCC. Thereby depicting the relevance of forensic accounting in fraud investigation of the EFCC (Dickson et al., 2013; Prabowo, 2013). In demonstrating the relevance of forensic accounting to the EFCC, this study vividly observed that forensic accountants are needed to gather relevant information, provide expert opinions in cases of financial fraud and serve as expert witness in courtrooms. Virtually, the skills are required at every stage of the EFCC operations which include investigation and prosecution.

5.6 Perceived Factors Influencing the Adoption of Forensic Accounting in Fraud Investigation

The major focus of this study has been on the investigation of the factors influencing the adoption of forensic accounting in fraud investigation. The aim was to improve the effectiveness of the EFCC in tackling the ever-growing systemic corruption in Nigeria. This was motivated by the increasing trend in fraudulent practices, the difficulties of the EFCC in minimizing the perceived level of corruption in Nigeria and the partial adoption of forensic accounting in fraud investigation by the EFCC as recommended by previous studies (Dada, 2014; Dickson et al., 2013).

Scholars in the field of organizational studies have investigated the influence of major factors that affect organizational strategy and structure. They are loosely classified into institutional and organizational factors (Child, 1972; DiMaggio & Powell, 1983; Donaldson, 2006). Adopting a thematic framework analysis, this study found the influence of these factors on the adoption of forensic accounting by the EFCC. These are discussed in the following subheadings

5.6.1 Perceived Institutional Factors Influencing the Adoption of Forensic Accounting in Fraud Investigation

The adoption of forensic accounting in fraud investigation by the EFCC is found to be partially influenced by institutional factors outside the control of the EFCC. These controls are those institutional factors influencing the decision to adopt forensic accounting in fraud investigation by the EFCC. This is in line with previous studies' demonstration of the impact of institutional factors on organizational adoption decisions (Wisdom et al., 2014) including the adoption behavior of public sector organization (Damanpour & Schneider, 2006).

Institutional complexity, such political culture, and national resources were among the institutional factors found to influence organizational adoption decision making process (Damanpour & Schneider, 2006; Kimberly & Evanisko, 1981). In agreement with this, the current study found that the complexity of the Nigerian political system, political culture, and negative public perception have influenced the political will of the Nigerian government towards the eradication of corruption and subsequently the strategic decisions and structure of the EFCC. A dominant pattern of all the views expressed by the participants was the lack of strong commitment on the part of the government

to provide sufficient funding to the EFCC. As observed, funding is needed for staff recruitment, logistics and welfare packages which are necessary for proper functioning of the EFCC. This, according to the findings, has affected staff strength and quality of the EFCC's workforce and hence, influencing the adoption of forensic accounting in fraud investigation through the creation of forensic accounting unit.

Despite these significant challenges posed by the absence of political will and the insufficiency of funding, the requirement for global best practices in fraud investigation has positively influenced the EFCC to consider the adoption and use of financial analysts and forensic accountants in their fraud investigation. A team of forensic accountants was created by the EFCC under the leadership of the former chairman Malam Nuhu Ribadu in 2013. As part of the synergy between the EFCC and leading ACAs, professionals from the FBI, ICAC and Malaysian Anti-Corruption Commission (MACC) have provided training, workshops, and seminars to the operatives of the EFCC on modern fraud investigation including forensic accounting. Therefore, external communication and knowledge sharing among ACAs and professionals have had an impact on the EFCC's adoption decision to improve performance in line with modern best practices (Rogers, 2003).

However, the relevance of the forensic accounting skills has been underrated due to lack of awareness and the assumed absence of the distinction between financial and criminal investigations process on the part of the management and some operatives of the EFCC. There is a perceived believe on the part of some of the management team that the police are trained investigators and prosecutors

and therefore equal to the task of fraud investigation. Therefore, leading to the partial adoption of forensic accounting in fraud investigation.

5.6.2 Perceived Organizational Factors Influencing the Adoption of Forensic Accounting

This study found that, in addition to the institutional factors elucidated above, organizational characteristics such as size, complexity and technology were the leading influential factors on the adoption of forensic accounting in fraud investigation by the EFCC. The size was measured in terms of the numbers of employees (Damanpour & Schneider, 2009) and was found to be grossly insufficient. Sufficiency of personnel was found to influence professionalism, specialization, and functional differentiation which in turn affect the adoption of forensic accounting (Frambach & Schillewaert, 2002). The insufficiency of personnel was found to undermine the professional capacity of the EFCC, especially those needed for financial investigation process. Currently, the EFCC has only three (3) forensic accountants who provide forensic accounting service in investigation and expert witnessing. This number is considered grossly insufficient to create a forensic accounting unit in the EFCC, depicting partial adoption of forensic accounting in fraud investigation.

Organizational size increases with the age of the organization and encourage the adoption of innovation (Damanpour, 1992). Matured organizations are characterized by organizational complexity, specialization, and wider knowledge base (Ahmadi, Nilashi, & Ibrahim, 2015). These characteristics encourage creativity, creates awareness and leads to the adoption of new ideas in achieving organizational objectives (Hameed, Counsell, & Swift, 2012b). In

analogy, smaller immature organizations, like the EFCC, lack these features and consequently lag behind in the full adoption of forensic accounting in fraud investigation to improve anti-corruption performance. Accordingly, the adoption of forensic accounting through the creation of forensic accounting unit was influenced by the necessity of a scientific support and the level of maturity attained by the EFCC in response to institutional pressures (Giblin, 2004).

5.6.3 Perceived Leadership Factors Influencing the Adoption of Forensic Accounting

In the previous subsections, institutional and organizational factors were perceived to influence the adoption of forensic accounting in fraud investigation of the EFCC. In this subsection, management attitude towards forensic accounting has also been identified as an influential element in the decision-making process. In agreement with previous studies (Kimberly & Evanisko, 1981; Wisdom et al., 2014), this study also found the role played by top management in the strategic decision-making process. It was gathered that the decision to adopt forensic accounting by restructuring the EFCC to accommodate forensic accounting unit is a managerial decision of the Top Management. This agrees with the views of Damanpour and Schneider (2006), Hambrick (2007) and Mail et al., (2006) who argued that strategic leaders heavily influence organizational competencies by motivating employees and building capacity for change. Accordingly, their background characteristics and personal interest have influenced their attitude towards forensic accounting in fraud investigation by the EFCC.

The argument posed by the finding of this study was also that majority of the top management are police personnel. This study observed some elements of resistant at the initiation stage of the adoption process. Therefore, agreeing with the findings that top managers' background characteristics are influential on organizational adoption of novel ideas (Damanpour & Schneider, 2006; Jantz, 2012). Despite, this study observed the influence of external communication and integration between the EFCC, donor organizations, and the need for scientific approach to fraud investigation on the attitude of the management towards the adoption of forensic accounting. Surprisingly, the decision to adopt forensic accounting by the EFCC was encouraged by some of the top management team and has further taken step to recruit more forensic accountants in the EFCC.

5.7 Associating the Findings to Institutional and Contingent Factors

The following subheading will associate the findings of this study to institutional isomorphism and contingency fit. In other words, the findings of this study will be associated with the postulations of institutional and contingency theories as the underpinning theories to the current study.

5.7.1 The Influence of Institutional Isomorphism on Adoption of Forensic Accounting in Fraud Investigation

According to institutional theory, organizations are heavily influenced by the institutional pressures in which they are embedded. In explaining this, DiMaggio and Powell (1983) proposed that organizational performance is a product of organizational structure defined by institutional influences. These influences collectively define how adopted behaviors and practices become

isomorphically accepted in societies (Caravella, 2011). Institutional influences, according to DiMaggio and Powell (1983), can emerge from political pressures, standard response to uncertainty or it can also emanate from professionalization. The authors named these pressures into coercive, normative and mimetic pressure.

Relating this theory to the current study, coercive pressure, arising from formal, and informal forces exerted influences on developing countries to establish ACAs to fight corruption as a precondition for aids and donor supports (Doig & Norris, 2012). Specifically, the creation of the EFCC was a response to Nigeria's listing as a Non-Cooperative Country (NCC) by the Financial Action Task Force (FATF) (Akume & Okoli, 2016; EFCC, 2013). Part of the recommendations was the implementation of effective measures to bring the country's national systems to combat money laundering and terrorism financing by establishing or strengthening existing anti-corruption institution (FATF, 2016).

Developing ACA based on external demand leads to its ineffectiveness because there is a perceived general lack of political will on the part of the government (Doig et al., 2007; Persson et al., 2010). Therefore, the creation of ACAs in most developing countries, including Nigeria, is a response to international pressure, donor requirement, and international organizations (Doig & Norris, 2012; Doig et al., 2007). Other pressures were the ratification of anti-corruption conventions (De Maria, 2008) and locally, fighting corruption became a necessity considering the consequences of corruption on socio-political and economic indicators in Nigeria.

Culturally, corruption is perceived to be institutionalized in the Nigerian society (Akume & Okoli, 2016; Aluko, 2002; Shehu, 2005). Thus, there was mounting pressure on the democratically elected government, which came into being in 1999 after years of military dictatorship, to restore the lost image of the country (Agbibo, 2014). One of the promises made by the then president was fighting corruption through ACAs and this led to the creation of the EFCC in 2003 (Shehu, 2015). Thus, indicating the influence of coercive pressure in establishing the EFCC (DiMaggio & Powell, 1983).

In addition, DiMaggio and Powell (1983) proposed that organizational form and structure are influenced by normative pressure which is associated with professional values. Fighting economic and financial crimes requires deeper investigation into the causes, sources and destination of illegal funds (FBI, 2014; Manning, 2005). Thus, at the initial stage, the known crime investigators in Nigeria were the Nigerian police. Consequently, they form the nucleus of the staff and structure of the EFCC. Professionally, they brought in police investigative knowledge into the EFCC. This is in line with the view of DiMaggio and Powell (1983) that professionalization is the collective efforts of membership of an occupation to define the settings and procedures of their work. Thus, making the police control the leadership and the fraud investigation of the EFCC.

However, the dominance of police in an ACA has been criticized by the findings of this study as well as previous studies on the ground of corruption and incompetence (Agbibo, 2015; Quah, 2014). This suggests that the presence of police has contributed to the ineffectiveness of the EFCC to minimize the

perceived level of corruption in Nigeria. This is because the police lack competence in fraud investigation and the perceived police corruption (Human Rights Watch, 2010; Quah, 2014). Thereby calling for the adoption of global best practices in fraud investigation using forensic accounting in fraud investigation (Owolabi et al., 2013).

The third determinant of organizational isomorphism is a mimetic process which is a response to environmental uncertainty (Caravella, 2011; DiMaggio & Powell, 1983). Accordingly, organization tend to mimic or imitate successful organizations when there is a poorly understood process, unclear goal or as a result of environmental uncertainty (Caravella, 2011). In response to environmental demands, ACAs are found to model their structure to imitate the Hong Kong's ICAC or the Singapore's CPIB, as failure to copy this model is seen as a headway to poor performance (Meagher, 2005; Olowu, 1999; Persson et al., 2013).

Therefore, institutional pressures emanating from donor organization, domestic demand for a corrupt-free Nigeria were among the determinants in setting up the EFCC. However, designing ACAs based on external influences and reliance on donor supports have resulted in ineffectiveness of most ACAs in Africa (Persson et al., 2010). This is because there is a perceived lack of political will on the part of the governments. The implication has been the inadequacy of funding, personnel and investigative skills (Meagher, 2005). Other identified institutional factors were related to political influences, inefficiencies in the judiciary and negative public perception (Meagher, 2005; Olowu, 1999).

Consequently, the structuration and performance of the EFCC are partially explained by institutional pressures emanating from international agencies, local demand, and government commitment. Similarly, the interagency interaction between the EFCC and other law enforcement agencies was found to influence the structure and the performance of the EFCC. This agrees with the institutional view of organizational form (Prajogo, 2016). However, it ignored the view that organizational structured are determined by the need to enhance effectiveness through fitting organizational contingencies with the context as against adopting rationalized institutional rules (Donaldson, Qiu, & Luo, 2013; Meyer & Rowan, 1977).

5.7.2 The Adoption of Forensic Accounting in Fraud Investigation is Contingent on Organizational Factors

In contrast to the institutional view of the organization, contingency theory views the most efficient organizational model as those structures that fit the context in which the organization operates (Donaldson, 2006; Giblin, 2004). In other words, organizational performance results from a fit between characteristics of the structure of the organization and environmental dynamics. Accordingly, Lawrence and Lorsch, (1967) posit that organizational performance is dependent on the degree of differentiation and integration. Likewise, Drazin and de Ven (1985) argued that organizational performance depends on the fit between context and structure. Consequently, the context entails organizational factor such as organizational size, complexity, technology or external institutional influences (Donaldson, 2006). Summing up the view of contingency theory, Taylor and Taylor, (2014) argued that an organization must

maintain a fit between its structure and its institutional factor in order to achieve high performance levels.

A major determining success factor of organization including the EFCC has been its resources. These are the human and financial resources of the EFCC (Meagher, 2005; Persson et al., 2010). Responding to the institutional demand for proper investigation and prosecution requires sufficient organizational resources (Ampratwum, 2008). However, the sufficiency of these resources to ACAs in Africa have been questioned (Doig et al., 2007; Olowu, 1999; Persson et al., 2013). Specifically, the insufficiency of personnel and the attendant consequences have militated against adoption of forensic accounting in fraud investigation and the effective performance of the EFCC.

Organizational size is presumed to have influences on professionalism, specialization, functional differentiation and creativity (Damanpour, 1991; Lawrence & Lorsch, 1967). Larger organization were found to have larger resource base, slack resource and tend to perform better (Jung & Kim, 2013; Quah, 2015a; Taylor & Taylor, 2014). Hence, as argued by the proponents of contingency theory, the performance of the EFCC is contingent on its organizational resource (Donaldson, 2006; Lawrence & Lorsch, 1967).

Therefore, the insufficiency of personnel in the EFCC, lack of required capacity, professionalism and specialization have affected the functional differentiation in the agency (Lawrence & Lorsch, 1967), especially, the full adoption of a forensic accounting in fraud investigation (Dada, 2014) and has affected the overall performance of the EFCC (Akume & Okoli, 2016; Ogbu, 2010;

Sowunmi et al., 2010). Therefore, the performance of the EFCC hinges on functional differentiation requiring sufficient personnel, specialization and professionalism (Hrebiniak & Joyce, 1985) and the adoption of forensic accounting in fraud investigation.

5.7.3 Integrating Institutional and Contingency Propositions to Explain the Adoption of Forensic Accounting in Fraud Investigation

The effectiveness of the EFCC hinges on political will, the proper functioning of the legal system and sufficient resources (Meagher, 2005; Persson et al., 2013; Quah, 2010). These present institutional factors influencing the current state of the EFCC. Therefore, creating the EFCC as a response to these international and national pressures, legal requirement and the imitative behavior of the EFCC collectively portray the influences of institutional factors (DiMaggio & Powell, 1983). However, organizations including the EFCC, respond to institutional dynamics through functional differentiations (Lawrence & Lorsch, 1967). A precondition for functional differentiation has been organizational size and complexity (Damanpour, 1991; Taylor & Taylor, 2014) and managerial background characteristics (Hambrick & Mason, 1984).

Therefore, integrating the institutional influences and organizational contingencies explains the current state of the EFCC. Specifically, there is strong indication of the influences of political will, legal process and public perceptions on the current condition of the EFCC. Thus, suggesting that the role of the government does not stop at establishing the EFCC but ensuring adequate resources and the proper function of the legal system (Ampratwum, 2008; Meagher, 2005). Ensuring the sufficiency of resources determines the size,

professionalism and the much needed functional differentiation for improved performance of the EFCC (Damanpour, 1991; Lawrence & Lorsch, 1967). The positive implication of sufficient resource to the EFCC includes creativity and the adoption of more advanced fraud investigation (Anderson, Potocnik, & Zhou, 2014). Thus, the absence of these preconditions has militated against the proper functioning of the EFCC.

Furthermore, these identified factors militating against the effective performance of the EFCC were also found to partially influence the adoption of forensic accounting in fraud investigation by the EFCC. Significantly, imitating successful ACAs had influenced the use of best practices in fraud investigation using forensic accounting. Subsequently, the adoption of forensic accounting in fraud investigation was considered vital to the success of the EFCC. This led to the consideration for the partial adoption of forensic accounting in fraud investigation.

However, the insufficiency of organizational resources has affected the full adoption of forensic accounting in fraud investigation by setting up of a functional forensic accounting unit in the EFCC. Specifically, the insufficiency of funding had a strong impact on the recruitment and logistics required for an efficient forensic accounting unit. Consequently, there is an observed heavy reliance on police investigation skills, largely due to the higher proportion of police in the EFCC's workforce. This result confirms the findings of previous studies that the adoption of innovation, including modern fraud investigation methodology, is strongly influenced by contextual, organizational and

leadership factors (Chor et al., 2015; Kimberly & Evanisko, 1981; Wisdom et al., 2014).

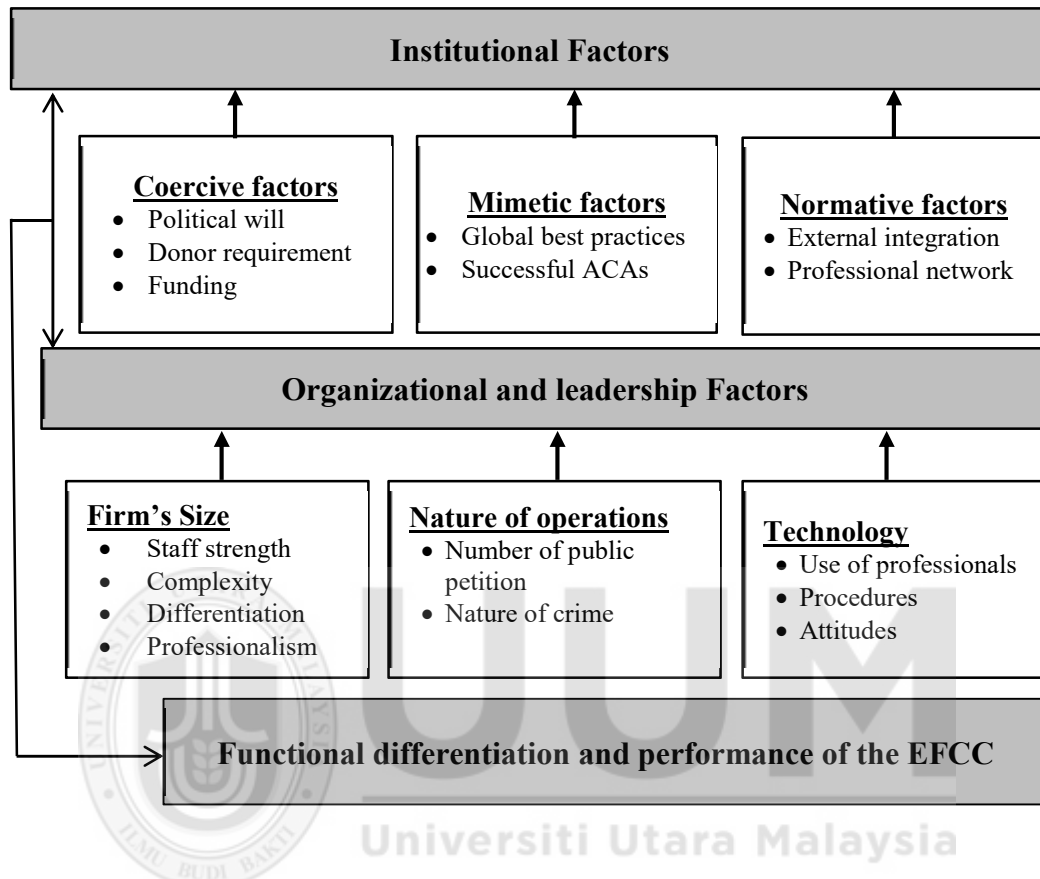


Figure 5.2
Integrating institutional and contingency theories

Therefore, integrating institutional and contingency theories explains the current state of the EFCC and the adoption of forensic accounting. This is demonstrated in Figure 5.5, where, coercive, normative and mimetic pressures were found to affect the structural form and performance of the EFCC in conjunction with internal or organizational factors such as organizational size, complexity, technology or external environmental influences

5.8 Summary of the Chapter

In this chapter, the results of the qualitative analysis were discussed in a systematic sequence to depict the perceived factors influencing the adoption of forensic accounting in fraud investigation. The discussion shows ineffective of the EFCC to properly prosecute corrupt practices in Nigeria. Institutional factors such as the absence of political will, inefficiency in the judiciary, negative public perception was found to mitigate the performance of the EFCC. Likewise, organizational size, professionalism, functional differentiation and managerial attitude were observed as instrumental to the current state of the EFCC. Equally, the relevance of forensic accounting to the EFCC was acknowledged and the adoption decision on the use of forensic accounting was influenced by both institutional, organizational and leadership factors. Three fundamental issues were raised and addressed by this study. These were on the adoption of forensic accounting in fraud investigation of the EFCC, relevance of forensic accounting and the adoption decision factors. The discussions conclude that the performance of the EFCC is dependent on commitment and professionalism in fraud investigation.

CHAPTER SIX

RESEARCH IMPLICATION, RECOMMENDATION AND CONCLUSION

6.1 Introduction

This study investigated the perceived factors influencing the adoption of forensic accounting in fraud investigation by the EFCC in Nigeria. The investigation is based on qualitative case study approach and data were collected through semi-structured interviews with management of the EFCC, institutional documents and non-participatory observation. The interpretation of the participants' views, ideas learned from the multiple data sources show that the adoption of forensic accounting in fraud investigation is influenced by institutional, organizational and leadership factors. Efforts were put to identify and describe how these institutional, organizational and leadership factors influence the adoption of forensic accounting in fraud investigation and the effectiveness of the EFCC in minimizing public sector corruption Nigeria. This chapter is devoted to concluding the study by highlighting the findings, the research implications, recommendations and conclusion.

6.2 Overview of the Study

Fraudulent practices have remained one of the major societal problems demanding decisive efforts to minimize their occurrences. Mohamed (2013) argued that one of the fundamental global challenges to organizations is fraud. Frauds, according to Silverstone and Sheetz (2007), are characterized by deceit, concealment and violation of trust. Fraud is an opportunistic infection that has

severe consequences on the economy, corporations, and individuals. Frauds are generally committed by individuals as well as organizations. The aim is to gain economic advantage.

Fraud has been perceived as unlawful or criminal deception intended to result in a financial or personal gain (Sharma & Kumar, 2012). It is also viewed as a deliberate act that is contrary to rule or policy of organizations with intent to obtain unauthorized financial benefit (Wang et al., 2007). Albrecht et al., (2012) view fraud as any act embracing all the multifarious means which are used by one individual to get an advantage over another through false representations. The Association of Certified Fraud Examiners (ACFE) puts it as occupational fraud and abuses (ACFE, 2012). The association defined occupational fraud as “the use of one’s occupation for personal enrichment through the deliberate misuse or misapplication of the employing organization’s resources or assets” (ACFE, 2014 p6).

There are three basic approaches to the fight against frauds. Sequentially, they are fraud prevention, detection and investigation. In most cases, frauds are difficult to prevent despite the existence of prevention measures. Consequently, organizations are left with fraud detection and investigation measures. Accordingly, most frauds are detected by accident or through whistleblowing (ACFE, 2014). A typical fraud investigation involves interviews, evidence collection and analysis. The process requires the identification of the motivations and elements of fraud (Albrecht et al., 2012).

Surprisingly, extent accounting literature on fraud was devoted to the two types of fraud as classified by (ACFE, 2014). These are assets misappropriation and fraudulent statement. The third type of fraud, corruption, is left to economists, policy analysts and international donor organizations. The attention of this study has been focused on public sector corruption.

One of the current challenges of developing countries, including Nigeria, is corruption. Corruption is the fraud that is usually perpetrated at the public sector. Transparency International defined public sector corruption as the abuse of entrusted authority for personal gain and has ranked Nigeria among most corrupt countries of the world. Tackling public sector corruption has been with little success especially in developing countries (Persson et al., 2013). The common approach has been the establishment of ACAs (Hanna et al., 2011; Johnson et al., 2011; Meagher, 2005). Most countries, including Nigeria, have established ACAs to fight corruption and financial crimes. However, there are reported ineffectiveness of these agencies in their respective countries (Doig et al., 2007; Persson et al., 2013). Evaluating the performance of these ACAs have been based on operational activities and the country's ranking on CPI (Meagher, 2005; Olowu, 1999; Quah, 2009, 2015a). Statistics of petition received, investigations conducted, and conviction of corrupt offenses are used to evaluate the operational performance of ACAs. In this study, assessing the performance of the EFCC in fighting economic crimes in Nigeria, data on petition, investigation and conviction have been evaluated, and the results depict good performance indicator in petitions received and investigated conducted by the EFCC. However, there is an observed low conviction rate of 2.5%. The

second yardstick used in evaluating the performance of the EFCC was the Nigerian ranking on the CPI. Previous studies have adopted this measures in benchmarking the effectiveness of ACAs (Meagher, 2005; Quah, 2009, 2015a). The average Nigerian CPI score (2010-2013) was 2.16 while the highest score was 2.7. Comparatively, these scores are below the average global rating of 4.3 and Sub-Sahara African score of 3.3 (Transparency International, 2015). The Implication of this score is that Nigeria is perceived globally as a corrupt country. This has affected the flow of FDI and negatively impacted on ease of doing business in Nigeria (Morris & Aziz, 2011). In order to improve these conditions, ACAs including the EFCC were created by the Nigerian government to tackle the menace of corruption. However, little efforts were made to evaluate the performance of these ACAs especially the EFCC.

6.3 The Fraud Investigation of the EFCC

The operational activities of the EFCC as an ACA organization begin with the receipt of the public petition on cases of economic and financial crimes. The petitions are scrutinized and sorted through preliminary investigation to ascertain their merits, legal implications and the next line of actions. The preliminary investigations determine if a petition needs to be investigated and prosecuted, referred to the complainant as a civil case or to the Nigerian police. The process also leads to the rejection of some petitions for lack of merits.

The second stage in the prosecution process involves multiple efforts in fraud investigation (Akume & Okoli, 2016; EFCC, 2013). Majorly, gathering admissible evidence through documentary sources, interviews and systematic

analysis of evidence (Manning, 2005). Documentary evidence is usually obtained from the petitioner, third party or government agencies (D. Richards, Melancon, & Ratley, 2009). These documents are analyzed by the staff of the EFCC to ascertain whether the alleged crime was committed (Akume & Okoli, 2016). It was observed, during the data collection process for this study, that banks statements, property certificates and other documents deemed necessary are collected by the operatives of the EFCC. Some are admitted as evidence in court.

The operatives of the EFCC also conduct interviews to obtain confessional evidence from the accused or principal witnesses (Manning, 2005; Singleton et al., 2006). The aim is to get information that is not feasible through documentary sources. Additionally, the confessional and witnesses' statements are also used as evidence in court.

The above procedures are complimented by conveying meeting of investigators, prosecutors and lawyers in the EFCC. The process allows for brainstorming on the possible weakness of the case and suggesting improvement on grey areas (Richards et al., 2009). Once it is proven that the offence was committed, a court proceeding is instituted to determine the case in question. The legal and prosecution department is responsible for the prosecution of offenders (Akume & Okoli, 2016; FGN, 2004; Shehu, 2005).

The operational activities of the EFCC (2010-2013) show that 25,552 cases were petitioned to the EFCC. A total of 6,596 and 5,367 were transferred to other agencies and rejected respectively. The EFCC was able to investigate

13,553 or 53% of the reported cases. The total conviction secure by the EFCC for the period was 495 representing a conviction rate of 1.9% which is apparently below expectations.

Therefore, if the two (2) indicators used in many other previous studies were taken into accounts, this study hence reveal a poor performance of the EFCC in tackling corruption in Nigeria. Specifically, the study found low conviction rate of 2.5% and an average CPI score of less than 3.0 below the global average of 4.3 as well as Sub-Saharan Africa's average score of 3.3.

6.4 Perceived Challenges of the EFCC

The finding of this study indicates success in the number of petition received and investigations conducted with a poor conviction rate and the ranking of Nigeria among most corrupt countries. The performance of the EFCC was attributed to a myriad of factors. These factors, as discussed in chapter five, assume institutional dimensions, organizational characteristics and leadership factors. Broadly, the effectiveness of ACAs has been linked to three fundamental factors (Johnsøn et al., 2011; OECD, 2008). They include independence, resourcing and specialization. The effectiveness of ACAs was found to be dependent on the level of government commitment (Brinkerhoff, 2000). This is possible where there is genuine political will to fight corruption. political will is described as the commitment of political leaders to minimize corruption (Quah, 2009). The existence of political will is demonstrated through the provision of sufficient personnel and resources (Brinkerhoff, 2010; Meagher, 2005). Accordingly, Meagher (2005) and Gregory (2015) argued that

the effectiveness of ACAs hinges on political independence and effective judicial system that is free from corruption.

The findings of this study also show that there is an apparent absence of political will towards the eradication of corrupt practices and the EFCC in particular (Human Right Watch, 2011). This was observed from the inadequacy of resourcing to the EFCC. Specifically, there is an apparent insufficiency of budgetary allocation to the EFCC. In addition, there was a clear indication of political interference on the operation of the EFCC. Thus, the absence of political will is considered the most critical factor to the current state of the EFCC.

A fundamental and crucial factor in the fight against corruption is the countries judicial system (Okogbule, 2006). Firstly, a comprehensive anti-corruption legislation is considered vital to the fight against corruption (Akume & Okoli, 2016; Quah, 2009). Secondly, Meagher (2005) argued that the effectiveness of the judiciary to help in minimizing corruption tend to diminish as a result of reduced resources allocation. Thirdly, Jain (2001) posits that a weak judicial system becomes a cause as well as a consequence of corruption.

The major influence of the legal system on the performance of the EFCC is the continuous delay in court proceedings. Cases of corruption instituted by the EFCC have been lingering in court for years without trial been started (EFCC, 2013; Shehu, 2015). The delays in the legal proceedings were attributed to three (3) main issues. There is an insufficiency of judges and courts, corruption in the judiciary and the role played by defense attorneys. This is confirmed by the

number cases handled by judges, the recent dismissal of judges and the unwholesome behavior of defense lawyers to accused persons (Akume & Okoli, 2016; Human Right Watch, 2011; Malgwi, 2005).

As was observed in the previous paragraph under government commitment, funding has been an issue on the performance of the EFCC. Previous research efforts have identified the relevance of adequacy of financing to the effectiveness of ACAs including the EFCC (Ampratwum, 2008; Gregory, 2015; Shehu, 2015). The insufficiency of funds to the EFCC was observed to have impacted on the operational capabilities of the agency. Specifically, it was found to affect staffing, logistics and the proper functioning of the EFCC.

Kimberly and Evanisko (1981) and Damanpour and Schneider (2006) have reported on the influences of size on organizational performance. Similarly, Meagher (2005) and Quah (2015c) have associated the success and failure of ACAs to the level of staff strength. Likewise, the effectiveness of the EFCC has been affected by the insufficiency of personnel needed for investigation process. The current study found that the EFCC's personnel are inadequate, lacking the required skills in fraud investigation and perceived level of corruption associated with Nigerian police (Agbibo, 2015) who dominate the upper echelon of the EFCC. Hence, insufficient personnel and lack of professionalism have influenced the agency's functional differentiation and the adoption of advanced fraud investigation. The consequence has been the failure to properly investigate fraudulent practices and the poor performance of the EFCC.

6.5 Adoption of Forensic Accounting in Fraud Investigation by the EFCC

The effectiveness of ACAs was argued to be dependent on specialization. Specialization of ACAs refers to the availability of specialized staff with special skills in accounting, auditing, investigation and forensic accounting (OECD, 2008). Most ACAs take form of law enforcement agencies. Manning (2005) argued that law enforcement personnel have become aware of the increasing rate of financial crimes but lack the training and expertise in fraud investigation. Thus, suggestion for the use of forensic accounting in fraud investigation was recommended to the EFCC to minimize the perceived level of systemic corruption in Nigeran (Dada et al., 2013; Owolabi et al., 2013).

Muthusamy, Quaddus and Evans (2010) argued that relying on other professional rather than forensic accountants for fraud investigation has been the cause of escalating fraudulent practices. The authors went on to claim that only 38% of companies are willing to invest in forensic accounting. Thus, indicating low adoption rate of forensic accounting in fraud investigation. The low adoption rate of forensic accounting in fraud investigation was attributed to behavioral factors (Muthusamy, 2011) and organizational resources (Bierstaker et al., 2006).

This study found a partial adoption of forensic accounting in fraud investigation. The interpretation of the qualitative data shows that the EFCC has been informally using forensic accounting investigation process. This was made possible through the use of bank fraud examiners from the Central Bank of Nigeria (CBN) and the Nigerian Deposit Insurance Corporation (NDIC). The

interagency relationship also saw the use of specialized personnel from the Nigerian Custom Service (NCS) and the State Security Services. Currently, the EFCC has three forensic accountants pooled as a team to provide forensic accounting services. Efforts, as gathered from the interaction with participants, show that the EFCC has recently interviewed a forensic accounting for the possible full adoption of forensic accounting in fraud investigation.

A forensic unit and a three-man team of forensic accountants was created in 2013 after due consultations and deliberations. The reasons given for the reaction of the unit was the necessity for scientific proof and the increasing reported cases of financial fraud that require analysis of mass volume of financial records. The adoption of forensic accounting in fraud investigation by the EFCC was influenced by both institutional, organizational and leadership factors. External integration and communication were found to influence the use of forensic accounting as global best practices in fraud investigation (Rogers, 2003). Forensic accounting services were rendered to the EFCC by personnel from the CBN, NDIC and NCS. This has influenced management consideration for the adoption of the process in fraud investigation. However, the insufficiency of funding from the government has impacted on the current state of the EFCC. The resultant effects were the inadequacy of personnel, functional differentiation and managerial attitude towards the full adoption of forensic accounting in fraud investigation.

Thus, institutionally, there was positive influence of scientific need for fraud investigation as global best practices and the associated external integration and communication. However, as with other government agencies, funding has

remained an obstacle to a successful implementation of forensic accounting in fraud investigation. The study observed the apparent influence of funding on recruitment, logistics and the adoption of forensic accounting in fraud investigation.

The perceived inadequacy of funding shows indirect influence of organizational size of the EFCC. The size was viewed from the number of personnel especially those need in fraud investigation. The triangulated data show that the EFCC has the intention of full adoption of forensic accounting by recruiting more forensic accountants but is constrained by the funding issues. The resultant effects were the inability of the EFCC to functionally differentiate its structure to adopt forensic accounting in fraud investigation.

The role played by organizational leaders have been documented (Jidwin & Mail, 2015; Mail et al., 2006) and theoretical postulations have assumed the influence of leadership factors on organizational strategic decision making process (Child, 1972; Hambrick & Mason, 1984). Empirical studies have also reported the influence of top management on the adoption decisions (J. Bradley, Nicholas, Olson, Bradley, & Twigg, Nicholas, 2006; Damanpour & Schneider, 2009; Walker et al., 2011). This study follows similar trend and found the influence of top management of the EFCC on the adoption of forensic accounting. The study observed a general support towards the adoption of forensic accounting in fraud investigation. However, some element of resistance was also identified from the interaction and interpretation of the data. The study strongly believed that background characteristics of the leadership of the EFCC has impact on the adoption of forensic accounting in fraud investigation. The

resistance was perceived to be associated with their background as police personnel and their lack of awareness of the relevance of forensic accounting in fraud investigation.

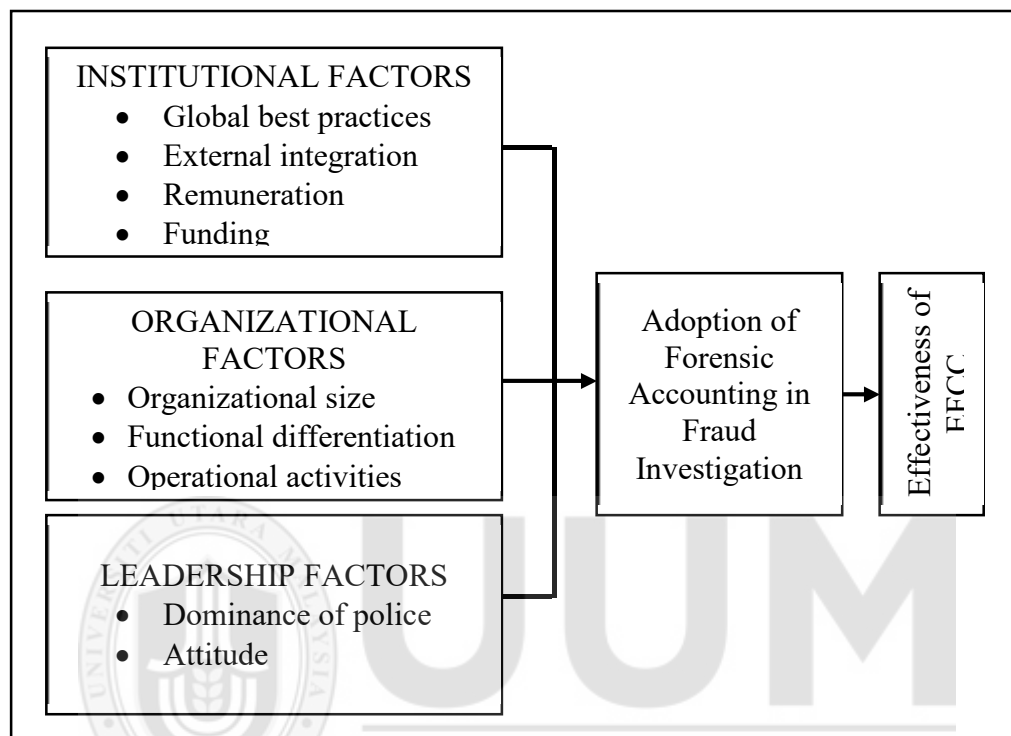


Figure 6.1
Factors influencing the adoption of forensic accounting in fraud investigation

As can be seen in Figure 6.1, institutional, organizational and leadership factors were found to influence the adoption of forensic accounting in fraud investigation of the EFCC. Specifically, the need to adopt global best practices in fraud investigation, because of external integration and communication, has a strong influence in the adoption of forensic accounting. Similarly, there is an observed influence of insufficiency of funding on staffing, differentiation and managerial attitude towards the creation of a forensic accounting unit in the EFCC.

6.6 Research Implications

The current study strives to contribute to institutional and contingency theories, the practice and adoption of forensic accounting literature and the overall performance of ACAs. Firstly, the study contributes to theory by integrating the institutional isomorphism and contingency fit to explain the adoption of forensic accounting in enhancing the performance of the EFCC in Nigeria. Secondly, the study adopts a qualitative approach to data collection, analysis and reporting. In so doing, it contributes methodologically by taking an in-depth approach to inquiry. Thirdly, the study contributes to practice by evaluating how institutional, and contingency factors influence the adoption of forensic accounting and the performance of EFCC in tackling systemic corruption in Nigeria.

6.6.1 Theoretical Implications

This study provides some contributions to institutional and contingency theories by showing that the formation, maintenance and performance of the EFCC is influenced by institutional and contingency factors. This study demonstrated the integration of the two theories to anti-corruption and the adoption forensic accounting literature by providing evidence that the performance of ACAs is influenced by larger institutional environment and organizational factors.

The dominant literature has considered corruption as a societal problem only tackled through the formation of ACA. However, the performance of these ACAs has not been fully understood. The success or failure of these agencies was previously associated with institutional and organization factors. This

study, in addition, shows how these institutional and organizational factors influence the strategic decisions and performance of these ACAs through the lens of institutional isomorphism and contingency fit.

This study found that the formation of ACAs is a response to political pressure from outside and within the countries where these agencies are formed. Thereby, identifying how institutional context influence organizational behavior (Volberda et al., 2012). In so doing, several factors emerging from the findings were related to coercive, normative and mimetic pressures on the structuration and the overall performance of the EFCC (DiMaggio & Powell, 1983).

Firstly, coercive pressures from international organizations such as Financial Action Task Force and other international donor agencies were significant in the formation of the EFCC (EFCC, 2013; FATF, 2016; Shehu, 2015). Thereby signifying the influences of political and external pressure on Nigerian to form the EFCC as an institutionalized means of fighting corruption (Akume & Okoli, 2016; Meagher, 2005). Maintaining the effectiveness of the EFCC was the responsibility of the Nigerian government and some donor agencies, through the provision of adequate resources (Gregory, 2015). The provision of organizational resources by the government and donor agencies leads to coercive pressure on the EFCC to structure and achieve set objectives for survival and legitimacy (DiMaggio & Powell, 1983).

Furthermore, setting the goal of the EFCC and providing resources determines the performance of the agency. Consequently, the government dictates the

overall performance of the EFCC through its annual budgetary allocations and the perceived political interference in the operational activities of the EFCC. Inadequate budgetary allocations and the associated political interference accounted for the poor performance of the EFCC especially the low conviction rate.

Secondly, mimetic pressure on the EFCC, resulting from standard response to environmental dynamic was identified. In fighting corruption, most ACAs are created to investigate, prosecute and educate the public on the consequences of corrupt practices (Ampratwum, 2008; Meagher, 2005; Persson et al., 2013; Quah, 2013). In response to the widespread corrupt practices in Nigeria, the EFCC adopted its structure to resemble that of ICAC in Hong Kong (Meagher, 2005; Olowu, 1999). The focus was on investigation, prosecution and education. Accordingly, Quah (2015a) maintained that new ACAs such as the EFCC are modelled upon old ACAs through imitative pressure.

Although this was successful in Hong Kong, Botswana and Singapore, it has not yielded the much-needed positive result in Nigeria. Firstly, due to the influence of Nigerian culture that favors corruption which has affected virtually every organization including the legal institutions. Secondly, inefficiencies and perceived corruption in the Nigerian judicial system have also affected the performance of the EFCC by causing unnecessary delays. Finally, the combined influences of PEPs and negative public perceptions on the performance of the EFCC were also identified.

The third institutional factor was normative pressure associated with professionalization (DiMaggio & Powell, 1983). Institutions, power, social networks and cognition, as well as their interrelatedness, influence the current state of the EFCC. Therefore, the collective struggle of the Nigerian police to dominate the upper echelon of the EFCC and determining the method of fraud investigation was keenly observed as a normative pressure. However, their presence in the EFCC and elsewhere were criticized for lack of competence and perceived corruption (Agbiboa, 2015; Quah, 2014). The resultant effect was the poor performance of the EFCC in tackling corruption in Nigeria.

Although institutional influences were understood as a major contributor to the current state of the EFCC, organizational contingencies were equally instrumental in the performance and the adoption decision of the EFCC (Donaldson, 2006). A dominant contingency factor is an organizational size, measured in terms of staff strength, specialization, professionalization and functional differentiation (Damanpour, Szabat, & Evan, 1989; Walker et al., 2011). This study found an apparent influence of organizational size on the adoption of forensic accounting in enhancing fraud investigation of the EFCC.

Additional insight from the finding of this study shows the impact of organizational leaders on structuration and decision making process. Hambrick and Mason (1984) argued that organizational structure, strategy and performance are partially explained by characteristics of organizational leaders. The dominant of police at the upper echelon of the EFCC was found to impact on the adoption of forensic accounting in enhancing fraud investigation (Agbiboa, 2015; Human Rights Watch, 2010; Quah, 2014). This was associated

with their background characteristics. The result was the unfavorable attitude of management towards forensic accounting in fraud investigation.

The integration of institutional and contingency theories demonstrates the combined effects of institutional influences and organizational contingencies in explaining the current state of the EFCC. This is one of the few studies that explain the structure, strategy and performance of ACAs through the lens of institutional isomorphism and contingency fit (Volberda et al., 2012).

From a theoretical point of view, this study advances the relevance of integrating institutional isomorphism and contingency fit in explaining the adoption of forensic accounting in fraud investigation by EFCC in Nigeria. Adopting a qualitative approach, institutional and contingency factors emerged from the findings to explain the structure, strategy and performance of the EFCC as depicted in Figure 6.2.

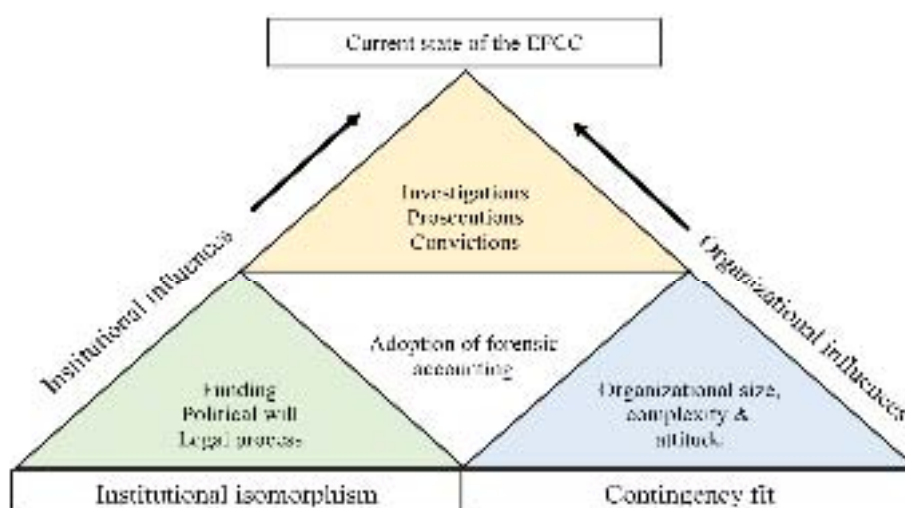


Figure 6.2
Integrating institutional and organizational fits

As presented in Figure 6.2, institutional and organizational factors influence both the adoption of forensic accounting in fraud investigation and the current state of the EFCC. The operational activities of the EFCC being resource dependent organization, require adequate funding from the government and donor agencies. The adequacy of the much-needed funding for the EFCC influence both the organizational size, complexity and attitude of the management in their decision-making process. Consequently, the insufficiency of personnel, especially forensic accountants, has impacted on the structuration of the EFCC to accommodate a forensic accounting unit.

Therefore, in benchmarking the performance of the EFCC, the influences of institutional and organization factors were evident. Institutional isomorphism shaped the formation and structuration of the EFCC as well as its performance. The dominant effect of political influences has undermined the legal process, funding to the EFCC and the much-needed personnel for effective fraud investigation. The result is an ACA led by police officers whose attitude has been shaped by their background characteristics. The inherent lack of capacity and alleged corruption are some of the identified factors associated with the police-led leadership of the EFCC. Thus, depicting the significant influences of institutional isomorphism and contingency fit as an explanation for the current state of the EFCC.

6.6.2 Methodological Implications

This study adopts a qualitative approach to inquiry (Creswell, 2013). The aim is to gather data from multiple sources for a richer explanation of the influences

of institutional factors and organizational contingencies on the current state of the EFCC. Rather than developing measures of institutional and contingency factors, the current study used integrative qualitative framework analysis to account for the emergence of these institutional influences and internal contingencies and how they influence the performance and strategic decisions of the EFCC.

Methodologically, this study provided a deeper insight and rich description of the current state of the EFCC. Firstly, the adoption of qualitative approach was guided by the belief that there is a multiple view to reality gained through multiple sources. Secondly, most appropriate participants were selected covering senior, middle and first-line management in the EFCC. Thirdly, views gathered through face-to-face interviews were triangulated with documentary evidence and non-participatory observations. Finally, the result of the integrative framework analysis was presented inclusive of the voices of the participants. This qualitative procedure was used to ensure the credibility and trustworthiness of this study. Therefore, instead of developing measures of institutional isomorphism and contingency fit this study sought the views of the management themselves through in-depth interviews with some key players of the EFCC in Nigerian. This allows the researcher to understand the phenomena under study better rather than just relying on secondary information.

6.6.3 Practical Implications

The idea of tackling systemic corruption through ACAs has been the preferred choice of most governments including developing nations (Ampratwum, 2008;

Meagher, 2005; Persson et al., 2013). However, the growing incidence of corrupt practices in developing countries has indicated the failure of these specialized organizations to fight corruption properly (Doig et al., 2007; Persson et al., 2013). This is particularly the case in Nigeria where the conviction rate is less than 2%, and the global corruption ranking of the country on Corruption Perception Index (CPI) has remained in the threshold of the most corrupt countries.

Specifically, the practical contribution of this study stems from the identification of key factor for successful anti-corruption policy. The success of public policy including the anti-corruption policies is tied to the level of political will (Brinkerhoff, 2000). The absence of government commitment was observed to be the product of political culture and political system. Consequently, the absence of political will was found to influence the proper functioning of the legal system, funding and interfering with the operation and the leadership of the EFCC. The attendant effect is the failure of the EFCC to prosecute corrupt offenses especially those perpetrated by PEPs.

Although the blame was pushed on the government, managerial background was found to influence their attitude and was observed as influential on the performance of the EFCC. Previous studies have claimed and reported the influence of top management on organizational performance and decision making process. Organizational performance of ACAs was found to be dependent on adoption of professional skills to fraud investigation such as forensic accounting.

With the institutional and organizational challenges facing EFCC being highlighted in this study, and having established the current state of EFCC, as well as its process and its inadequacies in terms of operations, the recommendations put forward in the upcoming section hopefully will practically help EFCC to improvise further.

6.7 Limitations and Suggestion for Future Research

As with any empirical research, this study is subject to some limitations. First, the findings of this study are restricted to the EFCC, the research participants, documentary evidence used and observation made. No hypothesis was developed or tested for this investigation. It is therefore not intended to be generalized to other institutions or context. Rather, it was designed to provide an in-depth description of the current state of the EFCC and the adoption of forensic accounting in fraud investigation by the EFCC in Nigeria.

Thus, the views expressed by the participants provided a rich and thick explanation of the phenomenon. This is made possible through the purposive selection of participants. Furthermore, they are opinions gathered from individuals judged as knowledgeable on the issue and insiders in the EFCC. However, the study intended to interview past chairmen of the EFCC but was not able to so due to factors beyond the control of the research.

In addition to the above implications, the proper functioning of the EFCC could not be adequately explained by a single factor. Despite this, it provided an adequate description of the case for informed decisions. The current study, therefore, suggests that future research efforts could device a comparative

assessment of the country's ACAs or a cross countries assessment of other ACAs.

6.8 Recommendation for Improvement in Anti-Corruption Strategies

The interpretation of the interaction with participants, documentary sources and non-participatory observations show that the performance of the EFCC can be improved by resolving the identified critical factors. This study, therefore, makes the recommendations for improvement based on the belief that strengthening institutions and inculcating moral education into the citizens are the much-needed approach to tackle systemic corruption. This is because corruption undermines economic growth, discourages foreign investment and reduces the resources available for infrastructure, public services and anti-poverty programs (Robinson, 1998). In fact, corruption is inimical to sustainable development, poverty reduction and good governance (Ades & Tella, 1996). Therefore, tackling corruption should be a priority of the government through the improvement of its anti-corruption strategies.

The first recommendation of this study is to strengthen the anti-corruption institutions. Three prominent institutions were identified as essential to the war against corrupt practices in Nigeria (Shehu, 2015). First, the law enforcement institutions such as the Nigerian Police, Custom, Immigration and State Security Services. Second, the Nigerian judicial system including the judges, courts and the laws. Thirdly, the ACAs namely, the Code of Conduct Bureau (CCB), the Independent Corrupt Practices Commission (ICPC) and the EFCC.

Therefore, strengthening these institutions by ensuring their independence (Gregory, 2015) and providing adequate resources will demonstrate government commitment towards the fight against corruption (Brinkerhoff, 2010; Persson et al., 2013). Sufficient budgetary allocation to these law enforcement agencies will minimize cases of institutional corruption, especially the inherent police corruption (Agbibo, 2015). Hence, improving their effectiveness in the anti-corruption fight. This will also go a long way in ensuring the efficiency of the ACAs. Specifically, improved funding will have a positive impact on the performance of the EFCC. Annual budget allocations to the agency should be considered a priority of the government considering the role played by the agencies and the devastating effects of corruption in Nigeria (Agbibo, 2014; Johnston, 2011; Meagher, 2005). Therefore, the federal government through the national assembly need to show strong commitment towards appropriating sufficient funds to the EFCC and the related institutions towards the fight against corruption.

Additionally, continuous recruitment and training of staff to these establishments will enhance their workforce and performance. In other words, a recruitment process that is separate from the normal civil service approach needs to be adopted to pool competent and skillful personnel, especially those with forensic accounting knowledge to the EFCC. Furthermore, sufficient welfare package needs to be adopted as a motivational incentive to retain and attract professionals, such as forensic accountants.

A major identified critical factor in minimizing the perceived level of corruption is the inefficiency in the Nigerian legal system. In resolving this issue, sufficient

and competent judges with integrity should be appointed to preside over corruption cases. Additionally, the Nigerian Judicial Council (NJC) should provide a mechanism to check the alleged cases of corruption in the judiciary and sanction those found to have committed the alleged offense. As a matter of urgency, there is an apparent need for judicial reform by creating more courts, especially special courts that will be concerned with corruption cases. This will promote specialization in the legal process and enhance the speedy process of corruption cases. Additionally, there must be an impartial enforcement of the anti-corruption laws.

At the national level, corrupt practice is presumed to be entrenched and pervaded at all level of social, political and economic life of Nigerians (Aluko, 2002; Human Right Watch, 2011). Corruption is also celebrated in Nigeria, thereby creating negative public perception towards the anti-corruption institutions (Agbibo, 2014; Shehu, 2015). Therefore, a comprehensive anti-corruption strategy needs to be adopted by educating the Nigerian citizens on the consequences of corruption and the need for their maximum cooperation to the war against corrupt practices. This can be achieved by national reorientation through educational, traditional and religious institutions. Moral values and patriotism should be inculcated in the minds of the Nigerian youths.

At the organizational level, the dominance of police in the realm of the leadership of the EFCC need to be reversed. This is because one of the success factors of ICAC and CPIB was their complete rejection of relying on police to curb corruption (Quah, 2009, 2014) and the associated corruption with the Nigerian Police (Agbibo, 2015). Hence, more competent, educationally versed

and professionally oriented leadership should be provided to the EFCC. The argument is that leadership factor has a significant impact on organizational performance (Mail et al., 2006; Sööt, 2012; Vaccaro et al., 2012).

Furthermore, adopting a transformational leadership will encourage innovative thinking and creativity in achieving organizational performance (Vaccaro et al., 2012). Specifically, it encourages idealized influence, intellectual stimulation, inspirational motivation and attention which are essential factors for effective organizational performance. The significance of this will include advancement in fraud investigation and the adoption new approach to anti-corruption fight including global best practices such as the under-utilized forensic accounting (Muthusamy, 2011).

The partial adoption of forensic accounting can also be resolved through special recruitment of individuals with the required skills and providing adequate remuneration that can influence their stay in the EFCC. Additionally, professionalism needs to be brought to bear in the EFCC by encouraging the use of forensic accounting experts in the fraud investigation. These are only feasible where sufficient resources have been provided to the EFCC, and a transformation leadership is instituted at the EFCC which is different from the current police-led leadership approach.

6.9 Conclusion of the Study

In this study, an investigation into factors influencing the adoption of forensic accounting in fraud investigation was conducted. The focus was on the influences of institutional and organizational factors on adoption of forensic

accounting to enhance the effectiveness of the EFCC in fraud investigation and tackling systemic corruption. The findings of this study show partial adoption of forensic accounting in fraud investigation. The partial adoption was found to be influenced by the need for scientific approach to fraud investigation like the use of specific techniques or methods which require special capacity and capability of the EFCC's staff. However, the methods of investigation were not specifically addressed but it is discussed generally. This is because interview participants have reservation in exposing details of their investigation techniques or methods. Other influential factors were largely the insufficiency of funding, staffing, leadership factors and the heavy reliance on external support for fraud investigation. Collectively, the study found the major influence of political will on funding, staffing, leadership and the effectiveness of the EFCC in fighting frauds in Nigeria.

The effectiveness of the EFCC was found to be contingent on the adoption of forensic accounting in fraud investigation and prosecution. The implication of this finding is that proper fraud investigation enhances quality of investigation reports and aid in litigation process. Major services rendered by forensic accountants to the EFCC's fraud investigation include evidential gathering, financial analysis and expert witnessing. In general, these have enhanced the effectiveness of the EFCC in tackling economic and financial crimes in Nigeria. Other factors that were found to influence the effectiveness of the EFCC are government commitment exhibited through sufficient budgetary allocation, improved judicial system and ensuring the independence of the EFCC. Guaranteeing the independence of the EFCC from external control including

the leadership, staffing and professionalism enhance its in fraud investigation. Fraud investigation is found to be contingent of specialization in accounting, auditing, investigation and law. The profession that possess these skills is forensic accounting and is found to be effective in fraud investigation. Its adoption by the EFCC enhances its fraud investigation and overall effectiveness in tackling fraudulent practices.



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APPENDICES



APPENDIX A. RELATED LITERATURE

Author(s)	Issue	Implication
Meyer and Rowan (1977)	Organizational formal structure arises as a reflection of rationalized institutional rules. organization adopts this structure for resources, legitimacy and survival	The creation of ACAs reflects the dynamics in the environment and adopting similar structure of successful ACAs becomes a rationalized institutional rule
Donaldson (2001)	Organizational structure is reflection of contingency factor which determines organizational performance	The adoption of forensic accounting is dependent on the influence of contextual and internal factors needed to improve the performance of the EFCC.
Child (1972)	Organizational decision making is a function of the influence of environmental factor and background characteristics of organizational leaders	Strategic decision to adopt forensic accounting by the EFCC is predictable on the influence of contextual factors and the characteristics of power holder in the EFCC
Pfeffer and Salancik (1978)	Organizational performance is dependent on the degree of organizational reliance on external resources	The performance of the EFCC and the adoption of forensic accounting are dependent on resources provided by the government to meet organizational demands.
Agbiboa, (2014) Gould and Mukendi (1989)	Corruption has remained one of the serious issues in developing countries	The adverse impact of corruption on economic, social and political indicators are severely felt

	of Africa including Nigeria	in developing nations of Africa.
De Maria (2008)	African response to corruption includes the ratification of international conventions, enactment of laws and creation of ACAs	The efforts of the Nigerian government to curb corruption include the ratification of anti-corruption conventions, enactment of anti-corruption laws and the creation of ACAs
Doig, Watt and Williams (2007), Meagher, (2005) Persson, Rothstein, and Teorell, (2013) Quah (2014)	Most countries response to systemic corruption involve the creation of ACAs, with some being successful and the majority a failure	The creation of EFCC was a response to endemic corruption and display of government commitment to fight corruption
Doig et al., (2007) Mccusker, (2006), Persson et al., (2013)	The majority of the causes of the failure of ACAs to tackle corruption are contextual and institutional factors	Absence of political will, independent, resources and competence in fraud detection are among the causes of the failure of the EFCC
(Quah, 2015a)	The precondition for an effective ACAs is organizational resources (financial and human)	The performance of the EFCC has been militated by the inadequacy of financial and human resources
Bierstaker, Brody Pacini, (2006)	There are numerous fraud detection techniques; forensic accounting has the highest effectiveness rate	Adopting forensic accounting by the EFCC will enhance it fraud detection process and performance

Muthusamy, (2011)	Organizational adoption of forensic accounting is explained by contextual factors, organizational characteristics and individual attitude	EFCC's adoption of forensic accounting is explained by government commitment, organizational resources, individual attitude
Damanpour and Schneider, (2006) Damanpour, (1987)	Organizational adoption of innovation is determined by community resources, organizational complexity and top management background characteristics	Availability of government resources, staff and positive top management attitude has influenced the adoption of forensic accounting by the EFCC.



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APPENDIX B. INTERVIEW PROTOCOL

INFORMED CONSENT FORM FOR RESEARCH PARTICIPANTS

This informed Consent Form has two (2) parts:

1. Information Sheet (to share information about the study with you).
2. Certificate of Consent (for signature if you agree to participate).

PART I: INFORMATION SHEET

1.1 Introduction

I am an academic staff in the Department of Accountancy, Yobe State University. Currently, I am pursuing a Doctorate in Accounting at Universiti Utara Malaysia. The title of the study that I am conducting is “An Investigation into the Factors Influencing the Adoption of Forensic Accounting by Economic and Financial Crimes Commission in Fraud Detection Process”. I have completed my 1st Phase of Data Collection, which involves a review of past studies on corruption prevention and the adoption of new methods in enhancing fraud detection process. The interviews to be conducted will shape the 2nd Phase of Data Collection.

1.2 Purpose

The purpose of this study is to understand the current state of the EFCC in terms of achievements and challenges and to identify the factors influencing the adoption of forensic accounting in the fraud investigation by EFCC in Nigeria.

Thus, my research intends to serve the following objectives:

1. To describe the performance and the perceived challenges of EFCC
2. identify the perceived institutional factors influencing the adoption of forensic accounting by EFCC in fraud investigation in Nigeria;

3. describe the perceived influence of organizational factors on the adoption of forensic accounting for fraud investigation by EFCC in Nigeria;
4. depict the perceived influence of the adoption of forensic accounting on the EFCC's fraud investigation.

1.3 Voluntary Participation

Participation in this study is completely voluntary.

1.4 Selection of Participants

Considering the distinctive topic under study and the information needed, interviews with the top management of EFCC are appropriate. Exploring individual and collective understandings, perceptions and processes of participants lead to some meanings of the context under study, allowing an inner perspective to outward behaviors (Rose, 2011).

Since the 1st Stage of Data Collection involved documentary sources, interviews to be conducted with the participants will be a source of meaning and elaboration for documentary evidence analyzed.

1.5 Protocol

The procedures involved include:

- a) Official letters sent for agreement to be interviewed.
- b) Dealing with the interview protocol including signing of the consent form.
- c) Seeking the commission's kind permission for the interview to be tape-recorded.
- d) Actual interview is taking place.

The interview questions are semi-structured, and the type of questions that participants are to be asked in the interview covers the following main areas:

- a) The Commission's operating environment as a factor in achieving organizational success
- b) Institutional design of EFCC including organizational structure and leadership
- c) Perception of forensic accounting in fraud detection process

1.6 Duration

The interview will take between thirty (30) and ninety (90) minutes.

1.7 Benefits

The interview granted might help in understanding how environmental factors, organizational setup and perception of forensic accounting as a fraud detection tool will promote or hinder the adoption of forensic accounting in fraud detection process. Improved fraud detection process will enhance the effectiveness of the Commission in achieving its goal of fighting corruption in Nigeria.

1.8 Confidentiality

All information that you provide will be kept strictly confidential. The researcher will maintain the confidentiality of data, especially with respect to the information about the participant. The recordings of your speech will be erased when the research is completed.

1.9 Sharing of Research Findings

The results of this study may be presented at professional meetings or published in a professional journal. However, your name and any other identifying information will not be revealed.

1.10 Who to Contact

If you have any question about this study or if you have any questions regarding your rights as a research participant, you may call Dr. Rose Shamsiah Shamsudin at +60 19 477 4267 or email her directly using shamsiah@uum.edu.my. You can also contact the researcher on +2348034611893, +60146494392 or email to ibrahimgaba@gmail.com



PART II: CERTIFICATE OF CONSENT

I have read the foregoing information and had the opportunity to ask questions about it, and any questions that I have asked have been answered to my satisfaction.

I consent voluntarily to participate as a research participant in this study and understand that I have the right to withdraw from the study at any time.

NAME: _____

SIGNATURE: _____

DATE : _____ (Day/ Month/ Year)



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INTERVIEW GUIDE

The following broad interview guide is aimed at understanding the current state of the EFCC and the factors influencing the adoption of forensic accounting in fraud detection process.

1. The EFCC was created to investigate and prosecute economic and financial crimes in Nigeria; how has this objective being achieved?
2. What are the notable achievements of the EFCC since its creation 12 years ago?
3. In your opinion, what are challenges of this agency?
4. What, in your opinion influence the adoption of forensic accounting in fraud investigation by the EFCC?
5. What are the challenges faced in the adoption of forensic accounting in fraud investigation by the EFCC?

APPENDIX C. DATA COLLECTION LETTERS



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KEDAH AMAN MAKMUR • BERSAMA MEMACU TRANSFORMASI

UUM/OYAGSB/K-14
21 June 2015

The Chairman
Economic and Financial Crimes Commission (EFCC)
No. 5 Forcelia Street off Adetokumbo Crescent
Wuse II Abuja
Nigeria

Dear Sir/Madam,

LETTER FOR DATA COLLECTION AND RESEARCH WORK

This is to certify that **Ibrahim Umar (Matric No: 95989)** is a bonafied student of Doctor of Philosophy (PhD), Othman Yeop Abdullah Graduate School of Business, Universiti Utara Malaysia. He is conducting a research entitled **"An Investigation Into Factors Influencing the Adoption of Forensic Accounting in Fraud Detection Process by Economic and Financial Crimes Commission in Nigeria"** under the supervision of Dr. Rose Shamsiah Bt Samsudin.

In this regard, I hope that you could kindly provide assistance and cooperation for him to successfully complete the research. All the information gathered will be strictly used for academic purposes only.

Your cooperation and assistance is very much appreciated.

Thank you.

"SCHOLARSHIP, VIRTUE, SERVICE"

Yours faithfully,



ROZITA BINTI RAMLI
Assistant Registrar
for Dean
Othman Yeop Abdullah Graduate School of Business

c.c. = Supervisor
= Student's File (95989)



Universiti Pengurusan Terkemuka
The Eminent Management University

School of Accounting (SOA),
Othman Yeop Abdallah (OYA),
Graduate School of Business,
Universiti Utara Malaysia.
10th August, 2015.

The Chairman,
Economic and Financial Crimes Commission,
Wuse II Abuja, Nigeria.



Sir,

REQUEST FOR DATA COLLECTION AND RESEARCH WORK

I humbly seek to request for permission to conduct a Ph.D. research work using your organization as a pioneer in the war against financial crimes in Nigeria.

The choice of your organization for this study has been driven by the record of your achievements since inception and the belief that necessary information will be gathered to help in achieving the objective of this study.

The aim of the this research work is to understand the current state of the EFCC in terms of achievement, challenges and the factors attributable to the use of forensic accounting in fraud detection process.

In order to capture and gather practical first-hand information, Top Management Team (Heads of Various departments) including the Chairman will be interviewed. The aim is to gain from your wealth of experiences in strategic decision making and fraud detection process.

In this regard, I hope you can kindly provide the necessary supports and approval for the completion of this research undertaking while assuring you that the information gathered will be strictly used for academic purposes.

Your approval and assistance is very much appreciated.

Yours faithfully,

Ibrahim Umar
PhD candidate
Sch. Of Accountancy
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YOBE STATE UNIVERSITY, DAMATURU

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Vice-Chancellor

Professor Musa Alabe B. Engg., Wac., MBA, PhD., MMSE, MCOFIN

E-mail: profmusalabe@ysu.edu.ng

OFFICE OF THE VICE-CHANCELLOR

VC/YSU/EFCC/234/VoU

16th September, 2015

The Executive Chairman,
Economic & Financial Crimes Commission,
Wuse II,
Abuja.

Dear Sir/Madam,

LETTER OF INTRODUCTION FOR DATA COLLECTION AND RESEARCH WORK

I write to introduce the bearer **Ibrahim Umar**, who is our permanent staff in the Department of Accountancy and currently studying for his Ph.D. programme at the Othman Yeop Abdullah Graduate School of Business, Universiti Utara in Malaysia.


Ibrahim Umar is conducting a research entitled "*An Investigation into Factors Influencing the Adoption of Forensic Accounting in Fraud Detection Process by Economic and Financial Crimes Commission in Nigeria*". He is under the supervision of Dr. Rose Shamsiah Bt Samsudin.

In view of the importance of the research and other related matters, I have no doubt in my mind that after completion, it will go a long way for crime detection and other related matters.

I therefore wish to request that all courtesies extended to him will be appreciated.

While appreciating your co-operation, please accept the assurance of my highest regards,

Yours Sincerely,


Professor Musa Alabe
Vice-Chancellor



APPENDIX D. DESCRIPTION OF PARTICIPANTS

Participants for this study were selected based on the position in the EFCC and the belief that they possess the required information and knowledge to answer the research questions.

Participant	Code	Managerial position	Directorate
Participant I	R01	Strategic manager	Operations
Participant II	R02	Strategic manager	Administration
Participant III	R03	Strategic manager	Administration
Participant IV	R04	Strategic manager	Operations
Participant V	R05	Middle level Manager	Operations
Participant VI	R06	Middle level Manager	Legal and prosecution
Participant VII	R07	Middle level Manager	Operations
Participant VIII	R08	Middle level Manager	Operations
Participant IX	R09	Strategic manager	Media and public affairs
Participant X	R10	Operative	Operations
Participant XI	R11	Operative	Operations
Participant XII	R12	Middle level manager	Administration

APPENDIX E. INITIAL CODING OF TRANSCRIPTS

The EFCC as an anti-corruption organization was created to investigate and prosecute economic and financial crimes in Nigeria; how has this objective being achieved?

Well, let's look at the question from two perspectives. The ideal and the actual successes recorded.

The ideal itself juxtaposed against the actual successes.

The ideal was to fight economic and financial crimes. This came as result of the worldwide fight, global fight against money laundering. *initial phase*

Let's look at the FATF; there is an article that every country should key into the global war against money laundering or the terrorism financing.

1
Nigeria was regarded or classified as (NCC) Non-Cooperative Country. By that classification Nigeria was almost became unhealthy to business with. Especially with our notoriousness in advance fee fraud alias 419 *from*

They gave us some conditions that we must meet in order to be certified compliant and now join the community of cooperating country.

166
Part of the requirement was the establishment of Financial Intelligence Unit (NFIU).

in
The Government of president Obasanjo initiated it by creating the Economic and Financial Crime Commission whereby the NFIU now was born within the fight against financial crimes.

The director NFIU is a director within the EFCC. This is how it started.

achieved
It started moving from strength to strength. I think in 2007 Nigerian was certified compliant and a proud member of fight against money laundering and financial crimes.

significant
Then the fight itself if I remember, I always like to recall the words of the earlier chairman, Mr. Nuhu Ribadu, he said and I quote "in the fight against economic and financial crimes, I have lost friends and have made enemies, I have lost confidence and people have lost confidence in me but the job has to be done"

for
I think you can see how comprehensive his words are.

Based on my own my experience, with the present dispensation I think is little

bit different, when I spoke about five years ago, in 2009/10, I said Nigeria was not ready to fight economic and financial crime. Why did I say so at that time
In time of President Obasanjo we got everything we needed.

Post Obasanjo we struggled. I think you have seen most of our battles especially with the national assembly in terms of our budgets.

There is budget cut and so on.

Does that indicate consistent reduction in the budget?

Yes,

When they cut your budget how do you manage to meet the mandate?

So how do you cope? Laughs..

We do with what we have and get

For example, look at the EFCC permanent site, up to now is under construction and we don't know when it will be completed.

The irony is that Julius Berger has inserted a clause in the contract, anytime there is delay in payment there is fine, there are backloads of delays even to meet the fines is something else.

Any other source of funding apart from the budget allocation?

Yes we have the money laundering, we have a lot of foreign agencies that are very big players. For example the FBI, the UK, in Canada, they collaborate with us and they give us assistance.

One issue that is bothering Nigerian is the delays in court of EFCC cases, what is the cause of these delays?

Let me use the words of the one of the officer who reports me, when the first set of governors were charged to courts, in this instance, governor Joshua Dariye of Plateau state, his lawyer after the arraignment, they came out of the court, the lawyer who is a SAN called the investigating officer, he asked him how long have you been in the police. He is a police officer, I think he said 18 years or so. He now said so you have 13 more years to retire, the officer said yes, and said to him 'we will try and conclude this case two years before you retire'.

So far that is what is happening; the case is still in court.

We make our investigation, we charge the matter to court, and once it gets to court it is out of our hands.

Let us site the case of Price Abubakar Audu, once the case started after the arraignment, the defense brought up an application which they lost, the trial has not started, it was an

So, that is another, what comes to my mind another Ribadu quote. He said 'when you fight corruption, corruption fight you back'

The challenges are there but the psyche is changing. Because corruption brings a lot of dislocation and it is only few individuals that are benefiting from it.

One of our suspect, when we were searching we got a necklace, do you know the price of that necklace, 80 million naira. One necklace, imagine what you can do with 80 million with your age. They don't wear it every day. It is madness.



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APPENDIX F. SECOND PHASE OF CODING PROCESS

INTERVIEW TRANSCRIPT	
Interviewer	Research Student
Interviewee	Participant 11
Date of Interview	29/10/2015

The law establishing the EFCC mandated it to fight economic and financial crimes in Nigeria, have this objective been achieved?

Going in line with the concept of financial crimes, we might say we are going on path to achieving the objective. However there are some perceptions from different angles that corruption is making it to fight back. Because when you are fighting corruption, corruption fight back.

In financial crimes, you are fighting the decision makers the people that made the rules of most of the big companies that move the country. Be it the state government, be it the trading board or oil company board. These are the people you are fighting.

So you are fighting the oligarchs and the most influential people.

So they will definitely fight you back.

In the course, they have, if you look at the fight against corruption in Nigeria, in the first place we have deficiencies in most of the legal framework. We in Nigeria we still live in a conviction based system.

I cannot trace something that is illegally acquired and find it within someone's person that acquired it.

[That constitutes a challenge, because one of the objectives of financial crime, is recovery and ensuring that the person do not benefit from it]

While as a tracing document, someone's money has gone into laundering themselves in to benefit from it. So if you don't have them being prosecuted you are discouraging them. That is the end result.

If for example the governor of Yobe state is stripped off of all what he stole, people will not steal again.

Why should I go into government and public money and EFCC reflect it back?

A lot of the financial crimes, fraudsters, we are trying but the legal framework has not held up.

You can't expect after conviction.

[The legal framework has some legal aided that it encompasses have an criminal case rather than financial crime.]

There is a difference between criminal investigation and financial crime investigation. In criminal investigation, all you are looking at is the point to prove the offence.

But in financial crimes most of the financial crime they go under a legitimate business. Because you go to the state government they are issuing contracts, some of the contract are legitimate and genuine contract, and actually covered.

Some are a payment of money, some of the staff are actual staff and they are being paid salaries but some are ghost workers.

That is how the crime is being committed. So it is mixed up and not completely an criminal crime as in criminal investigation.

In financial crime you need genuine transactions or business organisations to work through. Take the bank account. At bank account you process loan applications, in the process

you add your own vehicle you enter in the end of the year you are going to write it off as bad debt.

So in financial crimes you have to know that it is not only the genuine case.

[It is the difficult part of financial crime investigation is identifying these crimes and the only weapon you have is forensic accounting.]

That is the only weapon you can use to defend the trial.

Otherwise you can't get to anywhere.

Given these challenges of identifying financial crime, how can you describe the manpower in the EFCC especially the forensic accounting?

[That is where I tell you a lot of misperceptions and misconceptions.]

The misconception, EFCC is the first financial crime investigating organisation created by the government and the only people that are committed to its investigation are the Nigerian police. They are brought in. The Nigerian police only do minimal investigation, so it is becoming a real thing for them to do financial investigation.

Despite the transition, because you are coming from the conventional based in evidence based prosecution.

So now more, forensic accounting become relevant because you need evidence to proof your case.

You don't need only the conventional aspect of the case.

So you need evidence and it is only the evidence that will proof to you what has happened.

Be honestly, staff is not adequate especially for forensic accounting. We are just short.

Talking about police officers, the composition of the staff of the EFCC according to the 2011 annual report indicates that about 800 out of the 1,000 staff are police. How has this impacted on the investigations?

[That is very difficult to most of the cases they go to court and get thrown out. Because what they are looking for is confession, most of the investigators today in the EFCC are looking for confession.]

No former government will come after trying to let your money for 8 years and come overnight and tell you I stole this money I have done this and that.

You don't expect him to go court and say that other you did not even trace the money he has stolen.

You have not traced his assets and having him with his wealth to fight you back.

So work that even if you have the best lawyers they cannot win.

[That hope is if we have new management, they might accommodate forensic accounting as investigators.]

[The police would have moved to forensic investigation from the criminal investigation.]

[The world has moved now to digital stuff. I can build your personal life. I can build your life from your digital device. When you talk to, when you talk there and so forth.]

I can get your conversation from your messaging, whatsapp, Facebook or Email, I can now use it to profile you.

I don't need you to come and tell me who you are I can know that.

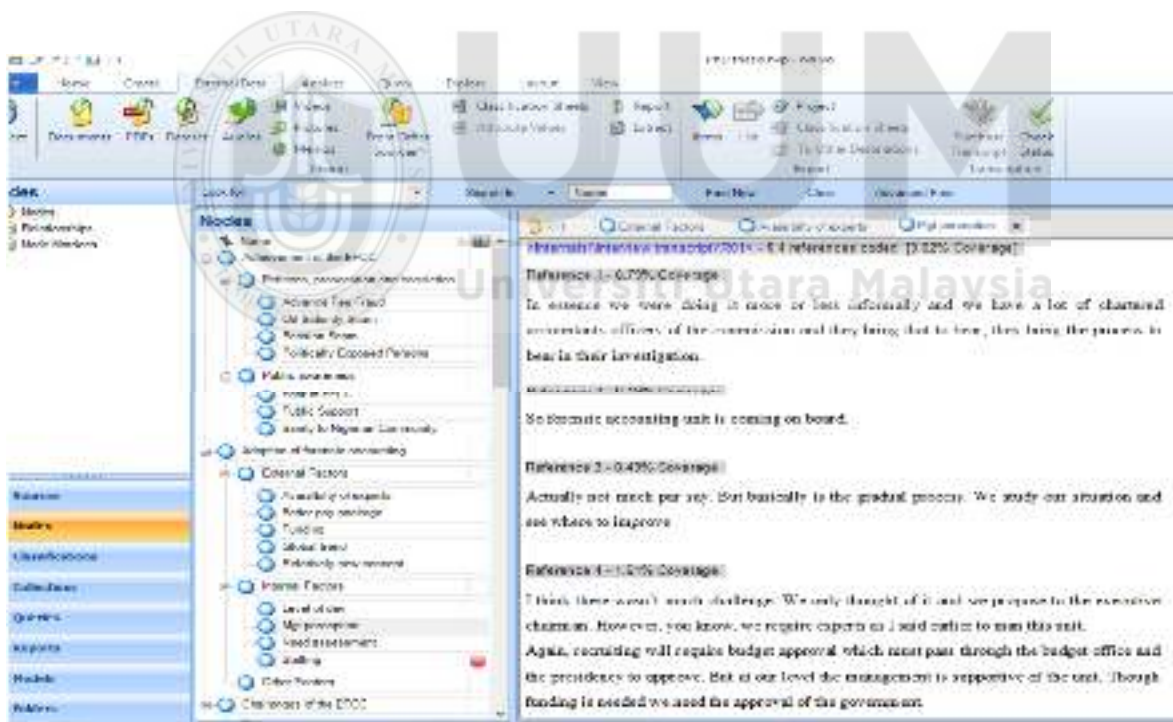
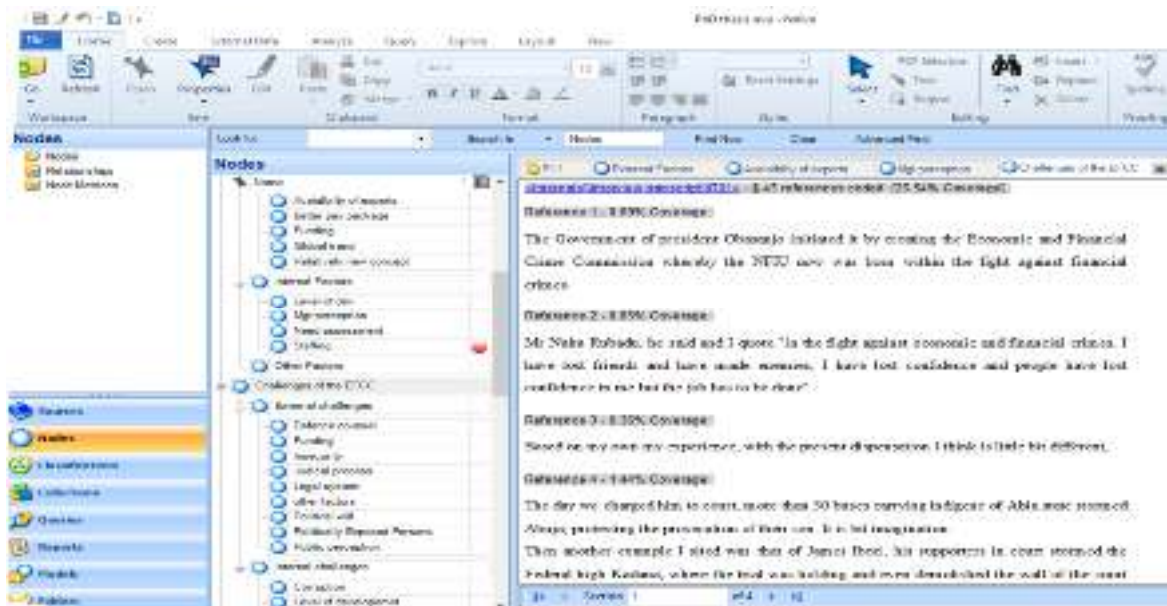
The law establishing the EFCC stated that the Head must be someone not below the rank of assistant commissioner, does this affect the EFCC?

No in case we make any difference.

[What makes the difference is the management style of that individual.]

[It really come up and be it dynamic, so we have to stick to these principles religiously.]

APPENDIX G. COMPUTERIZED (NVIVO 10) CODING PROCESS



APPENDIX H. CODE MATRIX (EXTRACT)

S/no	Statements	Code	Participants
1.	We used to have seconded staffs from CBN and NDIC who are officers skilled in forensic accounting, and they spent a number of years with us	External experts	R09
2.	We also network with immigration, custom who send their staff. They help in the computation of cases involving tax avoidance, exercise duties and so on. They know how to crack those cases	External experts	R06
3.	We now have the experts that look at all these things and advise, and they go to court to testify as expert witness but in the olden time we used to be bring them from outside to do it for us.	External experts	R04
5.	Funding/Staffing		
1.	we have the issue of manpower especially in the forensics	Staffing	R08
2.	However, you know, we require experts as I said earlier to man this unit.	Staffing	R01
3.	Even though we might have three or more staff, they too have to be paid. We need to employ more experts form outside and the funding may not be there.	Staffing/funding	R12
4.	Though funding is needed we need the approval of the government.	Funding	R01
5.	So staffing might be the reason and you know funding might be needed to hire these experts	Funding	R08
6.	Again, recruiting will require budget approval which must pass through the budget office and the presidency to approve	Funding	R01
7.	When it comes to funding there are a lot of issues	Funding	R10
8.	The worst and the greatest challenge is funding. Funding is the highest and greatest challenge in every law enforcement agency in the world, funding is a challenge.	Funding	R12
9.	It is always decreasing.	Funding	R12
10.	So, the budget keeps coming down. There is lack of political will.	Funding/Political will	R12
11.	If is the president, at the highest echelon, understand what we are doing, then naturally there should a big department forensic accounting department	Political will	R03
12.	On the part of the government, even though, there are so many needs, let us have enough	Political will	R03

	to establish this forensic accounting unit and get someone to head it.		
13	I think if we are given enough money to hire, the management might think about it and create it. For now, we manage the few available until then.	Funding	R08
14	You have investigation to make but you don't have access to fund. You need new technological advance in investigation; you need to buy them but you don't have fund	Funding	R12
15	In addition, I talked about the issue of training, this doesn't come as cheap. Sometimes these training requires international certification	Funding	R05
16	As I said, it is not cheap to investigate, acquire equipment and even to get the best staff; because they are not enough. The available ones they need certification, we need more hands to build the capacity in terms of both numbers and competence	Funding	R05
	Better pay package elsewhere		
1.	In spite of the fact that I had a better offer there, my passion is here. I wanted to be here. A lot of people that are here want to be here but that shouldn't be taken for granted.	Better offer	R10
2.	I know that most of colleagues that are here especially operatives who have gone.	Better offer	R10
	Global Trends		
1.	The entire work has moved to forensic investigation even the criminal investigation. The world has now moved to digital globe.	Global trend	R12
2.	Because all around the world most law enforcement agencies have forensic experts.	Global trend	R08
3.	The world now is becoming a global village; the world is changing and you know the world is dynamic therefore there is need to have those guys (I mean experts) to assist you in breaking through your case to make your case strong to make your case stand before the taste of time so that whenever you go to court you will not have any challenge	Global trend	R04
4.	Well, you know it is relatively new concept, even though that has been what we have been doing practically	New concept	R01

APPENDIX I. CODE STRUCTURE

Theme 1: Performance and perceived challenges of the EFCC	
1.	Operational statistics on petitions, investigations and convictions
2.	Nigerian ranking of Corruption Perception Index
3.	Challenges of the EFCC
Theme 2: Perceived relevance of forensic accounting	
1.	Evidence gathering
2.	Investigation
3.	Expert opinion and witnessing
Theme 3: institutional factors affecting the adoption of forensic accounting	
1.	Global best practices
2.	External supports
3.	Welfare package
4.	Funding
Theme 4: Organizational factors affecting the adoption of forensic accounting	
1.	Structural development
2.	Management attitude
3.	Nature of operations
4.	Size

APPENDIX J. PUBLICATIONS

Ibrahim, U., Rose, S. S., Mudzamir, M. (2017). Ascertaining the Effectiveness of Economic and Financial Crimes Commission (EFCC) in Tackling Corruptions in Nigeria, *Journal of financial crime* (in press)

Ibrahim, U., Rose, S. S., Mudzamir, M. (2016). Understanding the Successes and Challenges of Anti-corruption Agency (ACA) in Nigeria: A Case of Economic and Financial Crimes Commission (EFCC), *Asian Journal of Multidisciplinary Studies*, 4(5) 27-33.

Ibrahim, U., Rose, S. S., Mudzamir, M. (2016). Adoption of forensic accounting in fraud detection by anti-corruption agency: A conceptual framework, *International Journal of Management Research & Review*, 6(2) 139-148

Conference proceedings

Ibrahim, U., Rose, S. S., Mudzamir (2017). Influential factors on the adoption of forensic accounting in fraud investigation: Case study of EFCC in Nigeria. Paper presented at the 8th International Conference on Financial Criminology, Putrajaya, Malaysia

Ibrahim, U., Rose, S. S., Mudzamir, M. (2016). Challenges of the Economic and Financial Crimes Commission and Their Influence on Adoption of Forensic Accounting: A Conceptual Framework, *Proceedings of the 2nd UUM international qualitative research conference*, Available online at www.qualitative-research-conference.com

Ibrahim, U., Rose, S. S., Mudzamir, M. (2015). The types, costs, prevention and detection of occupational fraud: The ACFE perspective, *Proceedings of the International Conference on Accounting Studies (ICAS)*, Available online at

www.icas.my.

